

EXHIBIT 13

EXHIBIT A

Dubai Islamic Bank

Duties and Responsibilities of Departments at Dubai Islamic Bank

Training and Development Center

Research Department

April 1997

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In the name of God, the Most Merciful, the Most Compassionate

And say (unto them): Act! God will behold your actions, and (so will) His messenger and the believers, and ye will be brought back to the Knower of the Invisible and the Visible, and He will tell you what ye used to do. (from the Qur'an)

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Dedication:

“(God) Most Gracious! It is He Who has taught the Qur’an. He has created man. He has taught him speech (and intelligence).” To Him be praise for the splendor of his grace. Blessings and peace be upon the most honored of his creatures, our master Muhammad, may God bless him and give peace to him, his family, his companions, and those who support him.

One of the manifestations of the grace of God to the Islamic society is the successful establishment of the Dubai Islamic Bank, as an Islamic financial and banking institution whose goal is to apply Islamic Sharia principles in banking transactions and grow money in religiously acceptable ways.

The book you are reading, entitled "Duties and Responsibilities of Departments at Dubai Islamic Bank" includes all the banking activities in its different departments, explained simply and in detail, without exaggeration or complexity. This book will give benefit to any specialist, and can be understood by a normal reader. It fleshes out the daily realities of the Bank in its various transactions. We trust that it will meet its intended purpose. It sets forth the duties and responsibilities of the departments of the bank for the information of those who work in those departments, in addition to duties of other departments. Thus any employee can be a role-model for employees working at other Islamic banks, and answer any questions re. It covers all matters related to workings of an Islamic Bank. Moreover, providing a book like this is important as it may enhance the role of the Bank in developing Islamic banking work and participate in providing an academic and practical reference. This will help researchers and others concerned with Islamic banking to acquaint themselves with the duties and responsibilities of Dubai Islamic Bank as a model pioneering experiment that can be discussed and benefited from in developing duties and responsibilities of other banks.

This book helps clarify the duties and responsibilities of the departments, which then can be used to prepare job descriptions in the future.

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Because of these features of this book, we feel it is suitable to be a scholarly and practical reference for the Dubai Islamic Bank, scholars, and researchers.

This effort is a small contribution and a good start on a long path we should collectively follow, in order to upgrade and promote this leading Islamic institution to the next level.

Saeed Bin Ahmed Al Lootah

Chairman of the Board and Authorized Member

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Introduction

Dubai Islamic Bank is an Islamic banking and financial institution working in the field of finance and business. It aims to comply with what is permitted by Islam in banking and financial transactions, without dealing with giving or receiving usury, since that is forbidden by Islam. The Bank performs all other legitimate banking activities performed by other banks without restriction. The Bank avoids any transactions connected with usury, and finds acceptable, legitimate alternatives that do not disadvantage the customers in comparison with customers of other banks.

In addition, due to the nature of the Islamic role and distinctive features of the Bank, it has formulated its own strategy. This is based on its essential characteristics, including an extensive credit policy, advanced banking services, commercial transactions, speculation, manufacturing finance, social and humanitarian services provided by the Bank through the various departments, each according to its role and specialty.

The Current Accounts Department is the primary public interface of the Bank; it fulfills its role through direct contact with the public and customers, and completes their personal transactions and procedures, including those related to other departments. This department collects cash liquidity through various types of deposits, increasing the Bank's liquid financial and investment resources at the local and international level.

The Foreign Affairs Department provides several customer needs, such as foreign transfers via mail, telex, phone, or fax, to be paid to the beneficiary anywhere in the world, and in the currency specified by the customer. This includes bank checks issued to any beneficiary in any country and in any currency specified by the customer.

The Clearing Department receives checks payable on demand and post-dated checks in local currency from both customers and other bank departments, drawn on branch banks and correspondent banks. The checks payable upon demand may be checks drawn on Dubai Islamic Bank or checks drawn on other domestic banks.

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The Documentary Letters of Credit Department handles the issuance of letters of guarantee upon the request of its customers. The Bank pledges to pay a certain amount upon the request of the beneficiary during a specified period. The department also opens documentary letters of credit in cash, and in such case, the Bank gets a commission for opening this letter of credit. As for the credit through commercial transactions for profit, the customer must submit an application for opening the aforementioned letter of credit to purchase certain goods and delay settling the amount due for it. The Bank purchases the goods from the foreign entity in the name of the Bank and against its account. After the goods or documents are received as per the customer's agreement with the Bank, it is delivered to the customer.

The Commercial Transactions Department works to fulfill the desires of Dubai Islamic Bank customers for everything they need. Via commercial transactions, the customer can get cars, equipment, machines, cars and the like, in addition to furniture, different commodities, production supplies, intermediary goods, real estate, buildings, lands, farms and factories.

The Investment and Foreign Relations Department invests the funds of the Bank in international commercial contracts for profit, financing foreign trade transactions, and contributes speculations and partnerships according to the technical, banking, legal and Sharia aspects.

The Credit Department proposes and executes credit facility policies. It examines and studies the financial aspects and guarantees given to a project, in cooperation with other bank departments, as well as financial and consulting institutions outside the Bank. In addition, the Credit Department provides regular statements and reports to the Banking Facilities Committee about the situations of customers, based upon an analysis of their financial position, budgets, and the status of their guarantees given to the Bank.

The Real Estate Projects Department evaluates real estate to be purchased with bank funding, properties for mortgage, and manufacturing finance. It supervises the stages of manufacturing finance operations. When a customer applies for funding from the bank to erect a building, for example, the Real Estate Projects Department will prepare a technical study for the project that is the subject matter of the manufacturing finance contract. It will also evaluate a building to be mortgaged regarding guarantees. The Bank then implements the procedures as per the specifications in the manufacturing finance contract through a contractor or directly.

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The Real Estate Services Department receives buildings and prepares them for rent after completion of documentation. It manages facilities, compounds and properties the Bank owns or manages on behalf of others with guarantee of renting and maintaining them. It prepares rental contracts for residential units or other facilities and takes measures to do what is necessary to improve housing conditions in residential units the Bank owns or manages, including coordination with companies, government offices, and local companies to deliver services.

The Follow-up and Collection Department does its role through continuous follow up of checks returned from customers of the Bank in manufacturing finance operations, buying and selling of property, cars and letters of credits.

The Legal Affairs Department provides legal opinions, prepares legal contracts and instructions. The tasks and obligations of the Legal Department include all activities that the Bank does. This includes procedures to be followed, including various legal precepts and principles that are required by commercial and civil laws connected with the Banking activities.

The Visa Cards Department issues international Visa cards that can be depended on to cover the cost of purchases or services, whether in the country or abroad, as quickly and easily as possible. This card is issued by Dubai Islamic Bank in cooperation with the International Visa Corporation.

The General Accounts Department is the controlling authority over all accounts in the Bank. It is also the executive authority for some duties assigned to it by the senior management. It reviews the daily traffic of notices and ATMs. It matches daily balances in the supplementary ledger with the general ledger, and audits adjustments and expenses. It prepares the general document portfolio and oversees cash flow, liquidity ratio, and inventory adjustments for the end-of-year financial statement.

Regarding the Computer Department, the Bank has made sure to provide services to its customers in a manner that is simple and easy since its inception. Therefore, all bank operations are tied to the computer to help in accuracy, exactness, speed and simplicity of presentation of all bank services connected with deposits,

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and withdrawals, in addition to their role in providing statements and information to senior management, departments and branches as quickly as possible.

The Sharia Supervision department is assigned by the Bank's board of directors, pursuant to the text of Chapter 7 of the Bank's basic system, and approved by the Central bank. Its task is to issue religious opinions on issues of banking work and verify that bank work is conducted according to the teaching of Islamic Sharia.

The Auditing Department reviews all bank departments, according to audit programs and working papers for each task in the various bank departments.

The Administrative Affairs Department practices its role by organizational procedures connected with issuing circulars and administrative decrees or all bank departments and branches. It also keeps employee files and offers of work, issuance of certificates "to whom it may concern", keeping passports of the employees and performing procedures of issuing visas and residency permits for employees. It also follows up on the implementation of labor plans and employee work hours.

May God Grant Success...

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Current Accounts Department

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Current Accounts Department

[Role] of the Current Accounts and Procedures Department:

The Current Accounts Department is the basic face of the Bank in general. This is because of its direct contact with the [public] and customers, and because it concludes the procedures of their personal transactions or those related to other departments. The Current Accounts Department performs the following:

One: Current Accounts:

Definition:

It is a loan on demand under Sharia and law for which the customer is not entitled to any profits. The customer bears no losses, and the Bank is obligated to pay all sums in the account to its owner upon demand.

Basis in Sharia:

The Current Account is a loan on demand and it is like any loan that is covered by a guarantee. There is a pledge to return the same amount. The religious opinions from the Second Conference of the Islamic Research Council in Cairo in 1965 concluded that banking work that consists of current accounts, payment of checks, letters of guarantee, credits and internal coupons between traders and banks are permissible banking operations, and that what is paid for this work is not usury.

For whom are current accounts opened?

Current accounts are opened for natural persons, such as:

-Personal accounts of individuals, joint accounts, accounts for minors held by the father and the court.

They are also opened for legal persons, such as:

- Accounts for organizations and companies
- Accounts of clubs, associations, and schools.
- Government accounts

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[Procedures] for opening a current account for a resident customer after he presents the documents that prove his identity. [Documents] needed for each kind are specified in the chart below:

<u>[Type] of Account</u>	<u>Required Statements and Documents</u>
[Personal]	Original passport – full address and P.O. box – phone numbers
[Joint]	Original passport – Full address and P.O. Box – phone numbers – Statement specifying liability to the Bank.
Minor [Accounts]	Original passport or the minor's birth certificate - original passport of the guardian or custodian – decree of the Sharia Court assigning the legitimate custodian in case of the absence of the guardian – full address and P.O. box – phone numbers.
Associations and Companies	Commercial License – certificate from the commercial registry – certificate of registration in the chamber of commerce and industry – contract for partnership or service agency, duly certified – letter identifying authorized signatories of court appointed agents – passports of authorized signatories, license holders and partners – full address and P.O. Box – phone numbers.
Associations and Clubs	Decree of the relevant ministry on the declaration – resolution of the general assembly specifying the authorized signatories- passports of the authorized signatories - Municipal license for schools – full address and P.O. box – phone numbers.

Government Accounts on the order of the Government:

The original papers that prove identity and documents are reviewed by the employee in charge of this and an exact copy thereof kept in the account file. The employee must review the validity of residency permits expiry dates for expatriates.

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[Terms] for a Current Account:

- [1]. These are debit accounts that are prepared for withdrawal and deposit without restrictions or conditions. They allow checks and other methods of withdrawal approved by the Bank to the extent of the debit balance.
- [2]. Deposited funds are funds authorized for use by the Bank and must be returned on demand. These accounts do not share in any portion of the investment profit and carry no risk.
3. Account statements issued by the Bank are considered correct and finally approved if the bank receives no objection to their correctness within fifteen days of receipt by the account holder.
4. The Bank is authorized to charge fees connected with payments and expenses and any transaction against the account owner.
5. Legal or natural persons may not keep more than one current account at the same branch. There may be multiple accounts in other branches under the same basic customer number.
6. Customer accounts are confidential; others may not have access to them except by their written authorization or order, or by court order.

Two: Investment Saving Accounts

Definitions: These are accounts especially for saving with authorization for investment on basis of absolute speculation. The customer authorizes the Bank to invest these funds. The Bank uses its best efforts to achieve the common good between itself and its customers.

Basis in Sharia: These transactions between the depositor and the Bank are considered speculation, as stated in the resolutions of the First Conference of the Dubai Islamic Bank in 1399 A.H. / 1979 AD.

General conditions for Investment Saving Accounts:

- A. Funds deposited in the account to share in investment must have a minimum of one thousand dirhams.
- B. Saved funds start to share in investment as of the start of the Gregorian calendar month following the month of depositing, except for funds deposited on the first day of the month; they share in the investment as of the same day.

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- C. The Bank invests 50% of the saved funds in investments. 97.5% of the net profits are deposited for the investor and 2.5% for the speculator. In case of loss, God Forbid, the saver bears it; unless it is proved that the speculator Bank was negligent, or it exceeded or violated the term of the speculation.
- D. The account balance must not be less than one hundred dirhams.
- E. The saver may not withdraw from his account more than once in a given month and the withdrawn funds do not share in the investment during the withdrawal month.
- F. These accounts are opened only for natural persons desiring to invest by themselves, as brokers, or through an official proxy. As is the case for current accounts for natural persons, the procedures of opening account for a resident or non-resident customer require submission of the necessary identity papers, statements and documents as stated in the current accounts statement for natural persons and the conditions in the application to open a savings account.

Three: Investment Deposits

Definition: They are funds deposited in the Bank for a specific period, the owner of which authorizes the Bank to invest them on basis of absolute speculation.

Basis in Sharia: Dealings between the depositor and the Bank are considered speculation as stated in the religious opinion by the High Sharia Supervisory Board in its first meeting on April 13, 1983. That states that investment deposits in a bank are a Sharia-compliant speculation contract on which all the provisions of speculation stated in detail in the Islamic jurisprudence books apply. Speculation is mentioned in the Quran, Traditions, and consensus. The revenues are distributed between the Bank “the speculator” and the depositors, “the money owners,” according to the contract made between them.

General Provisions of Investment Deposit Accounts:

- A. Investment Deposits accounts are opened for natural or legal persons according to the kind offered by the bank, either for periods of three, six, or nine months, or one year, or according to currency invested, either in local currency “AED” or foreign currency “USD”.

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Resident or non-resident customers must submit the required identity papers, statements, and documents as for current accounts and according to the conditions stated in the application to open an investment deposit account.

- B. The Bank invests 80% for a year, 70% for nine months, 60% for six months and 50% for three months of the investment deposit value. The net profits are distributed at 97.5% for the investor and 2.5% for the speculator bank. In case of loss, God Forbid, the investor bears it; unless it is proved that speculator Bank was negligent, or exceeded or violated the term of the speculation.
- C. The minimum investment deposit is 10,000 dirhams, 5,000 USD, or as decided by the Bank management.
- D. The investor authorizes the Bank to invest his money on the basis of absolute speculation. The Bank is free to do what it deems appropriate to achieve the good of both parties.
- E. The deposit shares in the investment on the first, tenth, and twentieth days of every Gregorian month according to the date of deposit.
- F. The depositor, the beneficiary, or person entitled to withdraw is not allowed to withdraw his investment deposit or any part of it before the end of its term.
- G. Investment of the deposit is automatically renewed after its expiration and with the same conditions, unless one of the parties (the depositor or the Bank) notifies the other in writing one month before the expiration of the deposit.

It is worth mentioning that there are two types of the investment deposits:

(A) Absolute Investment Deposit:

The customer authorizes the Bank to invest the deposit on the basis of absolute speculation. The Bank does what it thinks appropriate to achieve the good of both parties and it distributes the profits according to the system mentioned above.

(B) Limited (Restricted) Investment Deposit:

The customer authorizes the Bank to invest his money in a specific project. In this case, the revenue of the project is distributed according to the terms of the contract concluded between the Bank and the owner of the deposit.

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Practical [Steps] for the Current Accounts Department:

[Opening] Accounts:

1. The customer submits his original identity papers to the relevant employee to open the required account.
2. The type of the account requested to be opened is specified (Current/Saving/Investment), individual, joint, minor child, organization, association, company, club, society.
3. The customer fills in an account opening application with the knowledge of the relevant employee and signs it in his presence.
4. The customer signs the account application as well as the signature cards. In case of fingerprint signature, he imprints his fingerprint on the application as well as the signature card, with the stamp "He imprinted his fingerprint in front of me and I verified his identity."
5. The relevant employee looks for the name of the customer in the black list of both the Bank and the Central bank.
6. The relevant employee enters the name and data of the customer in the computer, which automatically looks for the name. The computer will alert if the same name is in the database. The employee verifies the customer identity, and if the signature and data match, the former number will be used for the new account to be opened and no new account number will be given.
7. The customer deposits his opening balance at the cashier.
8. The Bank employee gives the customer his account documents, either a checkbook for a current account or a certificate of investment deposit.
9. The relevant employee confirms the data listed in the computer with the data of the application.
10. The official responsible for opening accounts reviews the application for accuracy and precision in data entry before approving it.
11. The department gets daily reports from the Computer Department on new accounts, which are reviewed by the department head or his assistant.
12. Signature cards are sent to the Computer Department to be entered to the signature devices and are then returned to the department and kept in special files.
13. Then, the account application and attachments are placed in a special file and are kept in a secure location.

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[Issuance] of checkbooks:

- The customer submits the checkbook request after it is signed by the relevant employee.
- The employee verifies the correctness of the customer signature and the possibility of giving him a checkbook, based on his account activity and financial status.
- The official in charge authorizes the issuance of a checkbook with his signature.
- The checks are printed, registered in a special registry, and are then handed to the customer after he signs a receipt in front of the relevant employee.
- Unprinted checks are kept in the main safe. These checks are taken out by the department head after recording them in the special check register.

[Issuance] of the Investment Saving Books:

1. The employee opening the account issues an investment saving book upon opening the account.
2. The book is registered in a special register and the customer signs the receipt.
3. The book is sent to the cashier to record the financial activity in it after deposit.
4. The book is sent to the department head for stamp and signature.
5. A personal photo of the customer is attached in the investment saving book if signature is by fingerprint.

Issuance of Investment Deposit Certificates:

1. The investment certificate is printed after opening the account and payment of the sum, based on a payment receipt.
2. The payment receipt is exchanged for the certificate and is attached to a copy of the certificate.
3. The certificate is signed by two officials authorized to sign (A, B) and is stamped with the Bank's approved stamp.
4. The certificate is registered in a special register and is handed to the customer after he signs the registry.
5. Numbering the certificate amount is by a special device to prevent forgery.

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[Issuing] Cash Cards

1. The customer will complete and sign the cash card form. The relevant employee will confirm the signature.
2. If the customer does not have an investment deposit, or his salary is not deposited to the Bank, charges will be deducted from the customer's account.
3. The forms will be registered and sent to the Computer Department to be issued.
4. The cards will be submitted to the relevant staff in the current accounts department after issuing the PIN numbers for the cards.
5. The customers are contacted to receive their cards.
6. After confirming the customer's identity, the customer will sign upon receiving his card and his new password.
7. Cards not received by the customers will be destroyed three months after the date of issue.
8. Debit cards may be issued for current accounts, saving investment accounts or both.
9. If the customer notifies the bank that he has lost his cash card, he must fill out a lost card form. After the customer signs it, the form is sent to the Computer Department after phone confirmation by the relevant employee, who has verified the signature.

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- The relevant employee will receive, file, review and sign upon receiving the unpaid checks. The Bank employee will provide the customer a copy of the deposit booklet.
- Unpaid checks will be registered in a special register and then be sent to the Clearing Department. The Clearing Department signs upon receiving the unpaid check to complete the process.
- The relevant employee will receive checks payable against Dubai Islamic Bank. The Bank employee will hand them over to the internal clearing department employee to be processed. Internal clearing of checks (checks drawn against the Dubai Islamic Bank);

These deal with checks drawn against the Dubai Islamic Bank and deposited in the customers' accounts before they are due. They are automatically transferred after the due date and are processed as follows:

- 1- The Computer Department will prepare a report for those checks that will be collected the following day. The report contains details of the checks and the payees.
- 2- The Clearing department will send those checks with a computer report to the Current Accounts Department for technical review and confirmation of signatures.
- 3- A General Accounts Department employee will review the computer report, checks and files and return them to the Current Accounts Department.
- 4- The Computer Department will prepare a report on checks collected on the due date and another report for uncollected checks, and which will be held until the next working day.
- 5- On the next day, the Computer Department will prepare a report for collected checks from the pending checks and another report for the returned checks. In addition, files of the returned checks will be prepared at the same time.
- 6- Files, reports and checks are sent to the General Accounting Department to be archived. Returned checks are returned to the Clearing Department to be returned to the customers.

Certifying Checks

- 1- The customer will complete a form, which will be delivered with the check for which certification is sought.
- 2- The relevant employee will review the accuracy of the signature and the check details.

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- 3- [numbers from 3-6 are cut off] The employee will ensure that the certified check is 100% covered.
- 4- Necessary accounting adjustments (deductions and additions + charges) to verify the check are made and recorded in the computer.
- 5- The amount of the check is numbered by a forgery prevention device.
- 6- The check is stamped with a special verification and signed by those authorized.
- 7- The customer must sign upon receiving the certified check.

[Issuance] of Manager Checks

- 1- The customer fills out the prepared form.
- 2- The relevant employee confirms the signature.
- 3- Necessary accounting adjustments are made to issue the manager's check and are recorded in the computer.
- 4- The check details are printed from the computer and then signed by the authorized signatory.
- 5- The customer must sign upon receiving the check.
- 6- A copy of both check and documentation are archived in the Bank reconciliation register.
- 7- The amount of the check is numbered by a forgery prevention device.

A manager's check may be issued in the following cases:

- A. Returning refused salaries.
- B. Foreign or domestic recurring transfers.
- C. Instead of internal clearing of customers' checks.
- D. Transferring some account balances to a court upon demand.

It is also worth to mentioning that there is a special program for issuing manager's checks. The program has been used in the Souq Branch since November 1993. The program uses new mechanized manager check forms.

Here are some of the advantages of this mechanized program:

- A. Making changes on credit or debit accounts is done automatically without need for notice.
- B. Printing the check is automatically done.
- C. For cash payments to issue manager checks, the date, transaction number, and screen number must be entered before printing the check. The computer compares the amounts and will not issue the check if the amounts are not equal.

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- The check number will be registered automatically after printing in the commercial paper account.
 - If the check number does not appear in the account statement, then the check was not printed, which makes reconciliation easier.
 - A copy of the printed check is automatically kept in a file and in the computer as a reference.
- [As] we explained above, issuing manager's checks is easy, easy to issue and saves much time and effort.

(1)

Stopping Payment of a Check

- 1- The customer must complete and sign the relevant form.
- 2- The Bank employee confirms the signature and reviews the details.
- 3- Stopping payment details are entered into the computer.
- 4- The manager reviews the data entered and signs the form for storage.

Internal Clearing:

This includes all records made by department employees, in addition to checks drawn against Dubai Islamic Bank. Internal clearance includes the following steps:

- 1- The relevant employee will confirm the signature and technically review the check.
- 2- After the relevant employees prepare the records, they are reviewed and signed by the department manager.
- 3- The checks and registers are entered into the computer with deductions and additions, as the case may be, are made to the records based on these entries.
- 4- The records are will be transferred to the General Accounts Department for review and archiving.

-
- (1) The check may only be stopped in two cases: a lost check or the bearer is bankrupt, according to the U.A.E Commercial Transactions Law – Article No 620, para. 2, 3.

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-Internal transfers have a prepared form, which the applicant must complete and sign. The relevant employee then confirms the signature and reviews the details. The necessary accounting controls are applied and the form is recorded on the computer, using the same steps as previously described.

Standing Instruction [Transactions]

The customer may instruct the Bank to deduct a specific amount from his balance periodically (daily, weekly, monthly or more and annual or more). This is done as follows:

- 1- The customer completes and signs the specific form.
- 2- The Bank employee confirms the signature and reviews the details.
- 3- The specialist enters the data into the computer and makes an initial review.
- 4- The person responsible reviews the data entry and signs thereon to complete the saving.

To Stop the Instructions

- 1- This is done upon request of the customer who fills out a form.
- 2- The instructions have not been executed for six months because of insufficient funds.

External Instructions

The steps for internal instructions are followed, in addition to the following:

- 1- The amount will be added to a payable check account 1/2/1/700.
- 2- On the due date, the Current Accounts Department will provide a detailed computer report with the amount deducted with fees from the customer and added to the Bank's account.
- 3- A manager's check is issued in the name of the foreign beneficiary and sent to him by mail.
- 4- A copy of the check is saved for reconciliation.

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Special Instructions

The customer or the Bank management may make instructions to be entered in the computer as follows:

- 1- The customer will complete a specific form or send a signed letter by mail.
- 2- The Bank employee confirms the signature and reviews the details.
- 3- The specialized employee enters the data into the computer.
- 4- The manager reviews the data and signs the form for storage.

The special instructions may give another person authority to do the following:

- A. Check the balance.
- B. Request an account statement.
- C. Receive returned or outstanding checks.
- D. Receive the checkbook.

Delegating to the Bank the Authority to Deduct and Cover

- 1- The customer must complete and sign the specific form.
- 2- The specialized employee will confirm the signature and review the details.
- 3- If the applicant requests to cover his current account from his saving account, the specialized employee enters the details into the computer then transfers them to the manager to be initialed and saved in the customer's file.
- 4- If the applicant requests to cover his current account from any other account, the specialized employee enters specific instructions in the accounts file on the computer then transfers them to the manager to be initialed and saved in the customer's file.
- 5- If the applicant wants to authorize the Bank to pay his credit bills, his signature on the form is verified and a copy is provided to the addressee. The Bank employee enters special instructions in the account file on the computers. The manager then reviews the data entry and then initials the request, to be saved in the customer's file.
- 6- Upon receipt of a bill against the customer, the specialized employee will make an appropriate accounting entry to issue a manager's check for the amount of the bill, to be signed by an authorized person.

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Powers of Attorney

Any customer may grant a power of attorney for access to his accounts or some of them to any person [or] persons, singly or jointly. In this case, both the principal and attorney must both come to the Bank to sign the POA form in front of a specialized employee:

- 1- The attorney must provide proof of identity. The attorney will receive an identification number if he does not have an account with the Bank.
- 2- The specialized employee will add the attorney's details to the principal's computer account file.
- 3- The manager will verify the power of attorney and check the data entry.
- 4- Requests for power of attorney are saved to the customer's basic file. The attorney's signature will be added to the principal's signature in the computer system.
- 5- At any time, the customer may remove the power of attorney without notice to the attorney. The grantor will complete the pertinent form and the department manager will verify the signature and initial it. The signature of the grantee will then be deleted from signature detector. The request will be saved with the original file of the customer. The revocation of the power of attorney comes into force the day after completion of the procedure.
- 6- A customer may grant a court-certified power of attorney to any person he chooses. The original power of attorney must be verified upon each use.

Freezing Procedures

- 1- The customer may make a declaration authorizing the freezing of his account. The customer must fill out and sign the pertinent form in various departments. The Bank management will verify the signature and approve the declaration.
- 2- The freezing will be done to the customer's accounts based on the requests received from the various bank departments via the specialized employee.
- 3- Unfreezing a frozen account can only be done by a request from the department ordering the freeze and after approval by management.
- 4- The manager will review the data entry for the freezing and unfreezing, then sign so the record can be kept.

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[Issuing] a Salary Certificate

1. Based on the desire of the customer that the bank issue a certificate stating that he has no objection to receiving his salary in his current account at the bank.
2. The manager will sign and affix the Bank's stamp on the certificate after confirming data entry on the computer.
3. The certificate will be provided to the customer, while a copy will be maintained in the Bank file.

Salaries

Most public and private sector monthly salaries are sent to the Bank to be added to customer accounts as follows:

- 1- The specialized employee receives the salary statement with the corresponding value (check, transfer notice from the Central Bank). The specialized employee deposits the check for collection.
- 2- The specialized employee will make the necessary accounting entries.
- 3- Statements and salaries are entered on the computer as internal clearance transactions. All other steps for internal clearance are followed.
- 4- Unsuccessful automatic salary statements from the computer department will be registered in the same way mentioned above.
- 5- In case the sending party asks for stop payment on a salary, the credited salary will be deducted automatically and returned via bank check in the same amount to the sending party if he does not want to have it corrected.
- 6- In case the name of the customer does not match his name on the salary statement, the salary will be transferred to a special account in the Bank and it will be returned to the sending agency if he does not want to have it corrected.
- 7- A copy of the salary statement will be stored in a separate file for review and tracking.

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To Whom it May Concern – Balance Statement

- 1- The customer will fill and sign the relevant form.
- 2- The specialized employee confirms the signature and reviews the details.
- 3- The employee will make the necessary accounting entries for fees.
- 4- A comprehensive customer status report will be printed from the computer.
- 5- If the customer requests an account balance in a foreign currency, the employee will calculate the amount in the foreign currency based on the amount in dirhams.
- 6- The specialized employee prints the certificate.
- 7- The manager reviews and signs it.
- 8- The original statement is provided to the customer and a copy is kept in the customer file.

Changes to Data:

- 1- The customer will fill in the pertinent form and sign it.
- 2- The specialized employee confirms the signature and reviews the details.
- 3- The specialized employee changes the details on the computer.
- 4- The manager reviews the request with the change report and initials it before storing it in the customer file.

* Data changes usually involve addresses and other data. The customer's name may not be changed under any circumstances. To change a customer name, the account must be closed and a new account opened with a new number.

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A- **[Cashier]:**

Deposits:

- 1- The customer must fill out and sign a deposit slip.
- 2- The customer will provide the amount to be deposited with the deposit slip to the cashier.
- 3- After matching the amount, name and number of the account, the cashier will record the amount deposited into the customer's account, then give the customer a receipt with the cashier's signature and stamp.
- 4- Cash deposits may be made through slips of non-cash deposits, such as slips for selling foreign currency and transfers.

B. **Withdrawals:**

- 1- Customers must provide a check or cash withdrawal slip with a proof of identity to the cashier.
- 2- The cashier will match the signature of the withdrawer, technically examine the check, and verify the integrity of the endorsement, if any.
- 3- On the back of the check, the cashier will write the personal details of the beneficiary from official documentation.
- 4- The amount will be recorded in the withdrawer's account and provided to the beneficiary.
- 5- Cash withdrawals may be made from the account through other withdrawal slips such as bills of exchange and slips prepared by the Foreign Department to purchase foreign currency. At the end of day, the cashier will balance the cash drawer and print a computer report.

ATM

Any customer that has a cash card may use the following ATM services 24 hours a day:

- 1- Immediate withdrawals of up to AED 7000 per day.

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Closing Accounts:

The account may be closed at the request of the customer, bank management, by order of relevant authorities, or upon the Bank being notified of the death of the customer.

1. A customer must fill in a specific form to close an account.
2. The specialized employee will verify the signature and review the status of the account as to whether there are any outstanding financial obligations due to the Bank. The employee will also check whether it is a profit account or not, and if so, if there are any expected profits. The customer is also required to return the checkbook.
3. After review, the specialized employee will close the account, and the manager will review and initial the request. Applications for closed accounts will be separated from the existing accounts, initialed as closed, and then kept in special files.
4. If the Bank management or any relevant authority requires the closing of any account, the specialized employee will contact the customer and request that he/she withdraw his balance, and return the checkbook if any. The aforementioned procedures will then be completed to close the account.

Leasing Safety Deposit Boxes

1. The Bank has safety deposit boxes in different sizes that customers can lease by signing a safety deposit box lease contract, a lease application form, and paying the leasing fee.
2. The specialized employee will prepare special records for the box numbers and keep the customer application forms.
3. Each safe deposit box has two keys; the Bank will keep a general key to open all safe deposit boxes, and each customer will be given a key for their particular safe deposit box.
4. The manager safe deposit boxes will open the safe for the customer upon request during business hours. The customer will sign the relevant register.

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Bank Forms (Applications - Records - Notices - Stamps)**a. Applications:**

- Checkbook Application Form (Form Number 29)
- Customer Change-of-Data Form (Form Number 21)
- Form for Adding/Deleting Instructions for a Customer's Current Account (Form Number 71/2)
- Form to Issue a No-Objection Certificate for Transferring Salary to an Account (Form Number 78/2)
- Form to Close an Account (Form Number 92)
- Form for a "To Whom It May Concern" Certificate (Form Number 100)
- Form to Issue a Manager's Check (Form Number 101)
- Form for Suspending/Removing/Reactivating a Cash Card (Form Number 102)
- Form for a One-time Transfer (Form Number 103)
- Form to Change a Signature Card (Form Number 104)
- Form to Certify a Check (Form Number 112)
- Form to Suspend Standing Instructions (Form Number 116)
- Form to Dismiss Attorney (Form Number 118)
- Form for a Customer to Enquire about his Current Account (Form Number 146)
- Form to Change a Cash Card (Form Number 175/3)
- Various Forms to Open Current Accounts (unnumbered)
- Form to Grant Power of Attorney to Manage a Current Account (unnumbered)
- Form for Freezing or Unfreezing a Customer's Current Account (unnumbered)
- Form for Cancelling or Uncancelling Check Cashing Privileges for a Customer's Current Account (unnumbered)
- Form to Authorize Coverage from Another Account for a Customer's Current Account at the Bank (unnumbered)
- Form to Cancel Authorization to Cover a Customer's Current Account (unnumbered)
- Form for Standing instructions (unnumbered)
- Form to Issue a Cash Card (unnumbered)

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Files:

A file to keep forms to open a current account. The following may be kept with the form to open the account:

- a. Form to Change a Signature Card
- b. Form to Grant Power of Attorney to Manage an Account
- c. Form to Dismiss an Attorney
- d. Form to Change Customer Data
- e. Form to Issue a No-Objection Certificate for Transferring a Salary to an Account
 - A file to keep signature cards
 - A file to keep forms to issue checkbooks
 - A file to keep forms to freeze a customer's current account
 - A file to keep forms to unfreeze a customer's current account
 - A file to keep forms to add special instructions to a customer's current account
 - A file to keep forms to for remove special instructions from a customer's current account
 - A file to keep forms to suspend check cashing privileges for a customer's current account
 - A file to keep forms to cancel suspension of check cashing privileges for customer's current account
 - A file to keep forms for standing instructions for a customer's current account
 - A file to keep forms to cancel standing instructions
 - A file to keep forms to certify a customer's checks
 - A file to keep forms to issue a manager's check by deducting from a customer's current account
 - A file to keep forms for a customer's authorization to the Bank to cover his current account from another account owned by the same customer at the same branch or another branch
 - A file to keep forms to cancel a customer's authorization to the Bank to cover its current account
 - A file to keep forms for a customer's authorization to the Bank to pay credit card bills from his current account
 - A file to keep forms for issuing ATM cards
 - A file to keep forms to Suspend/Reactivate/Cancel ATM cards
 - A file to keep forms to Amend ATM cards

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- A file to keep forms to issue "To Whom It May Concern" Certificates
- A file to keep payroll statements for customer current accounts
- A file to keep customer letters and responses
- A file to keep computer reports and responses

c. Records:

- A record for delivering checkbooks
- A record for changing signature cards
- A record for certified checks
- A record for manager's checks
- A record for checks under collection
- A record for suspended salaries
- A record for a suspended account subject to settlement
- A record of checks returned to customers
- A record of ATM cards and PINs delivered to customers
- A record of frozen ATM cards returned to customers
- A record of frozen ATM cards delivered to other branches to whom they belong
- A record of deliveries of amended ATM cards
- A record of cancelled ATM cards sent to the Computer Department
- A record of (official) stamps
- A record of outgoing mail (hand-delivered)
- A record of outgoing mail from the Current Accounts Department
- A record of incoming mail delivered to the Current Accounts Department

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Stamps:

- The (New Account New A/C) stamp is affixed to check/cash deposit slips. It is used when a customer makes a deposit in the opening balance of his new account.
- The (True copy of the original) stamp with the date and a place for the specialized employee's signature, to be stamped on copies of documents after reviewing the original. It is used when the Bank requests a customer to submit some documents to open an account or grant a power of attorney.
- The stamp "individual signing" and "joint signing" will be stamped on the form to open an account and on signature cards.
It is used for joint accounts, corporate accounts, society accounts and club accounts, to verify that the signatories manage the account.
- The stamp "Individual provided his fingerprint before me and I verified his identity," with a place for the specialized employee's signature, is stamped on the cash withdrawal receipts and application forms and instructions submitted by the customer.
It is used to prove that the customer appeared in person before the specialized employee since the Bank has no means to compare the fingerprint.
- The stamp "Identical Signature" with the signature of the specialized employee on the stamp is stamped on all cash -related account, as well as application forms, instructions and communications from the customer received by the Bank. It is used to make sure that these instructions are issued by the same customer, by comparing the signature with the customer signature card kept with the Bank.
- The stamp (Signature verified as in our records without the least liability or obligation on our part) signature verified as per our records without any responsibility or guarantee on our part is stamped on disbursement orders, written instruction, or customer letters. It is used for certify a customer's signature on the documents sent to a foreign entity.
- The stamp "Account closed A/C closed" is stamped on the form to open an account and the signature card when an account is closed.

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- The stamp (cancelled Cancelled) with a date, is stamped on white unused checks. It is used on the remaining checks when a customer closes their account, or when any other document is cancelled.
- The stamp (pay in cash Pay cash,” with a date, is stamped on checks, cash withdrawal receipts, bills of exchange, and payment orders. It is used by the department manager or his assistant to issue a payment order to the cashier for payment when the value of a payment document exceeds the limits granted to the cashier.
- The stamp (returned check Returned Cheque) with date, is stamped on deposit slips of collection checks. It is used when the drawee bank returns collection checks without payment (for various reasons), to differentiate them from collected checks slips.
- The stamp (acceptable for payment if presented through today's clearing Good for payment if presented through today's clearing), signed by the Bank's authorized signatories, is stamped on the check slip submitted by the Bank requesting clearing. It is used as a reply from Dubai Islamic Bank to bank submitting the check that its status is acceptable for payment if it is submitted for clearance during the work day.
- The stamp (to be presented through normal clearing Please present through normal clearing) signed by the Bank's authorized signatories, is stamped on check slips submitted by the Bank requesting the clearing. It is used as a reply by Dubai Islamic Bank to any bank submitting the check if the customer has insufficient funds to cover the check, whereas it is expected that there will be deposits to his account on the same day and the Bank does not want to give a negative reply. This transaction is restricted to customers with good reputation, who have recurring collections.
- The stamp “Checking account number is acceptable for payment,” is stamped on a bank check (payable).

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[This stamp will] certify the customer's check when the customer's account number is crossed out. This stamp will then be put in its place [and changed from] a personal check to a bank check.

- [The stamp...] “Good for Payment), signed by [the Bank’s] authorized signatories, [is stamped on the] back of the check to be certified by the Bank. [If] the customer requests a check certified by the Bank, the amount of the check is deducted from [the customer’s account] and added to the certified check account.

Good for payment if presented on due date.

- Internal clearing will be stamped on checks and notices of deduction and addition. [It is used] when transferring from one account to another within the same branch or bank.
- [The stamp] “Manager's check, Number....), with date, is stamped on the form to issue a manager's check, [it is used to] show that the manager's check has been issued upon the request made.
- [The stamp] “I received the Manager's check/certified Number....,” with date and a place for the recipient's signature [is stamped] on the form to issue a manager's check/certify a check. [It is used] to prove the customer's receipt of the check from the specialized employee.
- [The stamp] “I received cash card application form Number....,” with date and a place for the recipient's signature, is [stamped] on the application to issue a cash card. [It is used] by the department manager or his assistant when forwarding the transaction to the pertinent employee for execution.
- The stamp “Mr. /..... to undertake the necessary actions,” with date with a place for signature, is stamped on application forms, letters and other documents submitted by customers. [It is used] by the department manager or his assistant when forwarding the transaction to the pertinent employee for execution.
- The stamp “Required action performed,” with date and a place for a signature, is stamped on a completed transaction.

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It is used by the specialized employee after completing a transaction directed by the manager, his assistant, or his assistant.

- The stamp “To be archived,” with date with a place for signature, is stamped on documents, letters, etc. It is used when the department manager or his assistant directs the specialized employee to archive the document in a particular file.
- The stamp “Exempted from fees,” with a place for the branch manager’s signature, is stamped on customer applications that normally require fees. It is used when the branch manager exempts the customer from paying the fee.
- The stamp (specimen) is used on bank forms (requests - application forms - notices) when banks, universities or agencies require a copy of the forms used by the Bank.
- The stamp “Screen Number.....entry.....,” is used on all notices and documents. It is used by the terminal (screen) operator in the department to show that the document was passed through the computer in today's transactions to easily know the transaction number for easy reference in the future during reviews or correction of errors.

e. Entries and Notices:

- | | |
|---|--------------------------|
| – Cash Deposit | (Form Number 1/1) |
| – Check Deposit | (Form Number 2/2) |
| – Credit Entry (Notice of Addition) | (Form Number 3/9) |
| – Debit Entry (Notice of Deduction) | (Form Number 3/10) |
| – Cash Withdrawal Receipt | (Form Number 11) |
| – Credit/Debit Entry (Notice of Addition and Deduction) | (Form Number 4/15, 5/15) |
| – Notice of Deduction for Customer’s Returned Check | (Form Number 2/94) |
| – Bank Order | (Unnumbered) |

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The Foreign Department

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(1)

The Foreign Department

Work of the Foreign Department

1. Bills of Exchange for Collection:

The Foreign Department issues bills of exchange upon the request of the customer. The customer fills out the relevant form, to include the name of the beneficiary, account number, name of the Bank, if any, and the desired currency for the bill. The customer then deposits the amount of the bill in dirhams, at the Bank's current exchange rate, either by cash or by authorization of a deduction from his account, if so held. If the bill is funded by account deduction, the employee will verify the signature, then have the customer sign on the account entry notice as evidence that he authorized the bill of exchange.

After computer data entry in the system for issuing bills of exchange, the Legal Department will print the bill and deduct the amount thereof from the customer's account. The bill of exchange may require two signatures, based on signatures authorized in the signature record. The original bill of exchange will be provided to the customer, but the department will maintain an exact copy. The department will maintain a special record of bills of exchange issued daily with the amount of each bill of exchange in foreign currency and its equivalent in local currency, the name of the person who made the transfer, the name of beneficiary and drawee bank.

2- Cancellation/Return of the Amount of the Bill of Exchange:

If the bill of exchange is lost, the customer must immediately inform the Bank. The Foreign Department will immediately take the necessary steps to notify the drawee bank to cancel payment of the bill.

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When the drawee bank confirms the cancellation, the Bank either returns the amount or issues a duplicate bill of exchange, per customer wishes. When a certified copy of the original bill of exchange is issued, it is customary to write "a certified copy of the foreign bill of exchange number" on top as a reference to the drawee bank to avoid double payment of the bill. A cancellation incurs a five 5 Dirham mailing fee. If the bill is cancelled by telex, the telex fee is deducted from the customer's account.

Per the instructions of the Bank, the department will return the same amount of the cancelled bill to the customer if the exchange rate is the same. If the exchange rate has changed, the Bank will buy the bill at the current exchange rate and then deposit an amount to cover the amount of the bill as it stood at the correspondent bank on the same day the bill was issued.

3- Postal Transfers:

The instructions for bills of exchange requested and paid for by cash or by charging the customer's account are followed. The employee prepares an accounting document and sends it to the employee specialized in checking. The original postal transfer is then immediately sent by certified mail to the bank on which the bill of sale is drawn to pay the beneficiary. Each postal transfer costs 10 dirhams to cover mail expenses. If the postal transfer is cancelled, the same procedures followed with the cancellation of bill of exchange are followed and the amount of the postal transfer is refunded to the payee.

4- Telegram Transfers:

If the customer requires an urgent money transfer, the Foreign Department transfers the money by a telegram transfer after department verification and acceptance of the telegram transfers from the department for paying it to the beneficiaries. Telegram transfers act as urgent payments that are transferred to the beneficiary once the Bank data, address of the beneficiary, and his bank account are verified. If the beneficiary does not have a bank account, he will provide the Foreign Department with his address. He will be paid after verification of his address. The sender will bear the telex fees. The Foreign Department may maintain a separate record for telegram transfers with the money order number, the amount in foreign and local currencies, the name of the sender, the name of the beneficiary, and the drawee bank.

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5- Sales of Travelers' Checks:

The Foreign Department sells travelers' checks from Citicorp and Barclays Bank to customers, either through customer account deductions, if the customer has an account and authorizes the bank to deduct it, or by cash payment of the equivalent amount in dirhams. The Foreign Department will maintain a separate record for Citicorp and Barclays travelers' checks in US dollars and Barclays travelers' checks in US dollars and in pounds sterling. Travelers' checks delivered to the customers are recorded in the special registry. Travelers' checks are kept in a bank safe after receiving them from the issuing banks and a receipt is issued. When purchasing travelers' checks, the customer will sign an agreement prepared by the issuing banks showing the number of the travelers' check, the denomination, amount, and quantity. The customer pays a fee of 1% fee for the travelers' checks. The Bank issues a bill of exchange via certified mail for the amount of the checks on the same date they are sold payable to the issuing banks. The dispatch will include the purchase agreement signed by the customer.

6- Selling and Purchasing Foreign Currencies:

The Foreign Department buys and sells USD, GBP, OMR, KUD, SAR, QAR at current rates. The relevant employees prepare accounting documents and provide them to the manager for approval and certification. The purchase or sale of the foreign currency is paid for in cash or added to the customer's account, as the customer wishes.

The Foreign Department will maintain cards used when buying or selling foreign currencies. These currencies are kept in the Bank safe. Currencies purchased from customers are delivered to the manager, while the currencies needed by the department in selling are taken from the safe.

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7- Foreign Transfers for Collection

Customers deposit checks in foreign currencies to get their value after filling in a deposit slip with the check number, date of the check, drawee bank, account number, and the name of the account owner. A second copy of the form is given to the customer after being stamped with the following statement: "The amount collected upon conversion of the check into cash has been added."

In this way, the obligation of the Bank towards the customer is contingent on collecting the value of the check. The check is recorded in the log for foreign checks under collection after stamping the check with the following statement: "Foreign money order under collection" on the back of the check. The department will send the checks to the correspondent bank for collection. When the checks are collected, we ask them to add the check totals to the Bank's account with their bank and to notify us. If those checks are drawn on other banks in the same city or country as the correspondent banks, we ask them to collect the checks and add the totals to our account in their bank, and to notify us. When we receive the deposit notification from our correspondent bank, we the same amount in dirhams at the purchase price to the customer's account, after deducting 10 dirhams as mailing fees.

8- Purchased Foreign Instruments:

The Foreign Department purchases travelers' checks issued in various currencies from customers after obtaining the required documents, such as the purchasing agreement, a copy of the passport, and signature. Travelers' checks are usually issued in USD and GBP. The travelers' checks might be recorded in the purchased foreign instrument log after adding serial numbers and the date. A stamp saying, "purchased foreign instruments" and the check number is affixed to the back of the check. Travelers' checks in USD are sent to Dubai Citibank; travelers' checks in GBP are sent to London Citibank or National Westminster bank in London. Copies of the instruments are kept in our records. When we receive a notification of addition from our correspondent bank, the specialized employee will add the amount to the purchased foreign instrument account and deduct the amount from the balance of the correspondent bank at other foreign banks.

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9- Bills of Exchange Drawn on the Bank (Transfers from Abroad)

The Foreign Department receives daily foreign transfers from our correspondent banks all over the world in the form of telegram transfers, postal transfers, and on-demand bills of exchange drawn on the Bank. Signatures on the postal money orders and on-demand bills of exchange are verified by checking the signature record. Upon verifying the telex and signatures on postal money orders and on-demand bills of exchange, the department employee records them in the log of bills of exchange drawn on the Bank and he gives each transaction a serial number. If the Bank has an account for the beneficiary, we add the value of the transfer directly without any deduction. If the customer has an account in another bank, the department will send a manager's check to the relevant bank if the amount is small. However, if the amount is large, it will pay through the Emirates Central Bank. The telex fees are 10 dirhams for Dubai, 15 dirhams for Sharjah, and 5 dirhams for telex of the Emirates Central Bank. The fee is 30 dirhams for other emirates. This includes 20 dirhams as telex fees for the Emirates Central Bank.

If the customer does not have an account at any bank, or if he did not give instructions to pay through a certain bank, the Foreign Department will prepare a manager's check signed by two authorized persons and the beneficiary will be contacted by phone. When the beneficiary comes to the Bank in person, his ID is checked and he is then given the check. He collects the amount of the check from a cashier. Occasionally, the department receives transfers in foreign currencies to deposit them in the accounts of customers at other banks. In this case, the customer's bank is contacted to inquire whether the payment of the transfer will be made in local or foreign currency. If customers want to receive the value in local currency, the department will issue a manager's check after deducting 10 dirhams for each transfer transaction. If they want to receive the value in foreign currency, they are requested to give the name of the correspondent bank and account number to transfer the funds. Accordingly, the Foreign Department will transfer the amount after deducting the telex fees. A confirmation letter is sent to enable them to

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pay the beneficiary. Other local banks transfer foreign currencies to our customers. If the amount is large, we call the local bank to transfer money by telex to our account at the correspondent bank to avoid any loss in exchange rate. Upon receipt of a duly signed confirmation letter, we pay the Bank customer through deduction from the relevant correspondent bank. However, if the amount is small, we call them to send the value of the transfer in dirhams at the agreed-upon rate, to be deposited in the customer's account.

10- Funds deposited in the Bank's Account at Correspondent Banks to Cover Withdrawals:

The Bank will maintain various currencies in its accounts in the correspondent banks to cover withdrawals through letters of guarantee, letters of credit, postal transfers, on-demand foreign bills of exchange, telegram money orders, etc....

The Bank may maintain enough money in its accounts at its correspondent banks to avoid withdrawals on statements, because the Islamic Sharia prohibits dealing with interest. If any withdrawals are made through a letter of credit from one of our branches, this branch will notify the main office to provide sufficient funds. If there is a shortage in our accounts at our correspondent banks, the Bank will purchase the required foreign currency. We will make a telex transfer to the correspondent bank to cover the shortage, providing the date and amount. When we purchase foreign currency on the local market, we usually buy it against the dirham and pay through the Emirates Central Bank. If purchasing through a correspondent bank, we purchase currency against US dollars. The money is paid through correspondent banks in New York on the agreed-upon due date.

The Bank also buys dirhams against US dollars for our correspondent banks when they contact the Bank, expressing their desire to purchase dirhams at an agreed-upon rate. In this case, the department will deposit the dirham amount in their account at the Bank per their request.

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Encrypted telex messages connected with the abovementioned are received and the Foreign Department official verifies them. In some cases, we receive messages from local banks to verify telex messages they receive through an encryption system. The specialized employee at the Bank documents the telex message through our correspondent banks. If the message is authentic, we inform the correspondent bank, without any liability on our part. The Foreign Department receives messages from banks other than our correspondent banks and we send them to the local banks for verification through the encryption system. The Foreign Department provides the encryption number used to branches of our correspondent banks that do not have an encryption system.

4- The Computer System in Citibank

The Foreign Department sends and receives all correspondence from the Bank's correspondent Citibank through Citibank's internet portal. All transfers in US Dollars and bank investments in the USA may be conducted through the Citi Cash Manager System (CCM). Only authorized staff members are allowed to conduct any transfers through this system. The computer system verifies the validity of the transaction and discovers any mistakes immediately.

5- USD Checks Drawn on US Banks

There is a special agreement with Dubai Citibank to handle USD checks drawn on US banks without payment of any fees. Those checks are sent to Dubai Citibank instead of sending them to the US. This bank will send the check to its New York branch through a courier. Dubai Citibank will deposit the amount to our account in their bank after five days. This deposit will be reversed if the check returns unpaid. Therefore, we deposit the check amount in the customer's account at least 20 days after the date the check was received. This period gives the Bank enough time if the check is returned. This service may help reduce collection fees imposed by US banks.

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SWIFT System¹
(SWIFT)

Introduction:

SWIFT is the abbreviation of Society of Worldwide Interbank Financial Telecommunications. It is a cooperative owned by its own members to achieve the common interests of its members and to find, use, and operate the necessary means to send financial messages privately and confidentially.

SWIFT is a system used by computers to send and receive messages among banks. It is a secure and fast method of doing money transfers and it is accepted by member banks all around the globe.

Installation:

The SWIFT system is operated by the Foreign Department at the Bank's main office. The Computer Department is responsible for installation of equipment and maintenance of programs (addition, deletion and upgrade of applications as necessary)

Users have a lot of equipment and programs to suit their needs. The most common of these are BTOS and B25 BURROUGHS. There are various applications used such as ST200, ST400, IBM MARWA, and LOGIC FAST WIRE, etc. Our bank chose to use ST200 (updated version 4.15). It is the easiest to use and is divided into two sections: NUCLEUS and the (IBU) (integrated support unit). The NUCLEUS center performs the main tasks and the integrated support unit IBU makes immediate backups that are retrieved when the memory is damaged.

¹ The original is in English

Operation:

Operation starts after entering the main password kept by the main section of SWIFT. It has two parts: the first part is kept by the Bank manager and the other is kept by the head of the Foreign Department.

After entering the two parts of the main password, an option screen enables the user to work. This is necessary for each user/supervisor to enter his own password, so he can make changes as needed to protect confidentiality and accountability.

In addition, the operating password kept by the main department of Swift needs to be entered to update the program (addition or deletion).

We have recently installed a personal computer PC at our branch in Abu Dhabi (connected with the SWIFT system) to send and receive messages directly. We took this step because of the large volume of messages by them. The Abu Dhabi branch does not operate the international link SLS or the Joint Key Exchange (BKE) system as it is connected to the main branch that verifies its messages. The personal computer installed in Abu Dhabi branch has a main password (for all work). The main SWIFT branch enters it, (only in two parts) and it is maintained by the management of the branch. All other branches will be connected to the SWIFT system when the volume of work requires it.

All SWIFT operations are divided into regions: within the line (ON LINE) and outside the line (OFF LINE) operations.

The NUCLEUS center in SWIFT starts first, followed by the integrated support unit (IBU). It is connected to the internet when the word (ON LINE) appears. This is currently done through integrated circuit cards (INTGRATED CIRCUIT CARDS) which are also called smart cards (SMART CARDS). This is organized so that it is done jointly by the branch manager and the head of the Foreign Department.

This international linking operation is called SLS (logic – selection – security SECURED LOGIC+ SELECT)). It is a new automated system that can print messages on a printer, then assembling it to receive incoming messages (kept in the memory when the system is turned off.) Any message lost due to malfunction of the printer or any other reason can be retrieved after transferring data to a floppy disk when necessary commands are provided. Incoming messages are verified and sent to the relevant department while maintaining a copy of each as a reference.

If the identity of a message sender is in doubt, the message is kept in a re-verification file until the employee in charge can re-verify and confirm the matter.

The operator prepares outgoing messages, but he cannot change, confirm, or send any message. The employee who audits and sends the messages cannot prepare or substitute them. This is to guarantee security by an authorization list, for each employee to perform a distinct task. Preparing the authorization list requires entry of the main password, which is divided into two parts. One of them is kept by the branch manager and the other by the head of the Foreign Department. Preparing the authorization list includes adding and amending the name of the operator, auditor or authorized person, etc.

Messages are verified via a special key. The Bank can prepare a key like this and send it to the relevant bank on demand. Keys like this are saved within the system that automatically checks messages as needed.

The branch manager and head of the Foreign Department are responsible to verify messages according to the confidentiality and sensitivity of the matter. This operation is now automated and there is no need to work manually. It is now called BKE (joint exchange of keys BILATERAL KEY EXCHANGE).

End-of-day Report:

Daily operations are saved on a floppy diskette (DISKETT) as a reference. It can be recovered if needed. The operator will make a printout of the activity report with various data after the end of the working day and sends it to the SWIFT manager for review.

The end-of-day report is prepared before shutting down the computer as requested by the system. Another report called (JOURNAL) is printed. It contains the date, time, commands used, and user name for specific commands according to permissions on the authorization list.

Advantages:

- 24/7 Service
- Uses natural language
- Comprehensive automated system
- Less risk of making errors
- Less operation cost

- Higher productivity
- Fast transmission
- Secured (automated)
- There is no manual verification (automatic)
- Continual maintenance
- Increased effectiveness in formatting messages
- Ability to save more comprehensive administrative data

Conclusion:

The SWIFT system has been tested and found acceptable. It is also used by a large number of financial institutions (companies and banks) all over the world (more than 6000 banks in 150 countries) and the number is increasing as time goes on. There are continual development efforts for the benefit of members. An analytical report is prepared about the previous performance, giving details about member performance both past and present. They are continually open to any suggestions to develop the system.

SWIFT is a pioneering system to send all types of messages, which are then classified within categories of verification, and to maintain banking relations with a relevant region.

Finally, the SWIFT system is the safest, most secure and fastest means of communication found to date.

Clearing Department

Clearing Department Operations:

The Clearing Department receives checks for immediate payment or the post-dated checks in local currency from customers and all bank departments for collection through bank branches and corresponding banks. The checks payable are divided into checks drawn against Dubai Islamic Bank and checks drawn against other banks in the UAE.

The operational steps in the Clearing Department are as follows:

- 1- Clearing Department employees receive the checks and verify them before entering their basic data into the computer system: date, amount, name of beneficiary, signature, endorsements, and stamps.
- 2- The specialized employee enters the checks' data into the computer system after verifying them. There may be a special printer in the department that prints the check receipt automatically, showing the time of deposit and the name and address of the account owner. The check depositor usually signs the check receipt. The department employee then stamps the receipt, signs it and the copy and delivers a copy to the depositor. The computer system may calculate the total value of deposited checks at the end of the day and record the amount automatically.
- 3- The Clearing Department receives post-dated checks and sorts them by drawee banks, then by Emirate or region, and then by date. They are then kept in a fire-proof safe and arranged to facilitate removing the checks for payment according to day and month. The checks drawn on Dubai Islamic Bank may be kept in special safes. The department keeps these checks permanently after verification. A report is also produced from the computer system including all data from the stored checks. The report is then matched with the list of checks at the Clearing Department.

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- 4- The Clearing Department takes the checks out of the safes and sends them for collection. The data from checks payable upon receipt is entered in the computer and sent for collection the same day via the Central Bank. An employee is assigned to go to the clearance room at the Central Bank after sorting the group of checks according to bank and attaching a notice saying that the total amount of the checks conforms to the report. In the clearing room, the checks are exchanged among the representatives of various banks. The Bank representative delivers checks to various bank representatives in return of receiving checks drawn on Dubai Islamic Bank. This operation takes place on a daily basis.
- 5- The Clearing Department calculates the value of the checks drawn on the Bank and deducts that from customer accounts and adds it to the Central Bank account. For returned checks, a reverse entry for the amount of the returned check is recorded. All entries are made at the General Accounting Department automatically and without sending any notifications. Notices are sent for dishonored checks explaining the reason for the return. They are then printed by the computer. Regular entries for the checks are automatically applied through adding and deducting the total value of checks without notification. On the following day, the clearing employee goes to the clearing room at the Central Bank to attend the first session while carrying checks drawn on the Dubai Islamic Bank and the returned checks with the reason for the rejection attached to each check. These are delivered to the various bank representatives. The bank representative returns with the checks that have not been collected, and which were returned for various reasons, with the reason for return attached, so that the customers with the returned checks can be contacted and notified of the return of the checks so that they can come and receive them. If they do not come to receive the checks within two weeks, they are sent by mail.
The Clearing Department will prepare a report according to date and day on all checks drawn on banks outside the emirate in which the Bank is located. The checks are taken out of safes, attached to the above-mentioned report and sent to various bank branches for collection. The Clearing Department in turn keeps copies of checks sent to branches.

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The Bank collects checks drawn outside the country through the Foreign Department. Upon collection, the Foreign Department adds their amounts to the customers' accounts.

- 6- The Clearing Department prepares a monthly table of the post-dated checks held by the department and compares them with the computer report of post-dated checks.

The Bank charges a 5 dirham fee for collecting a check in parts of the country where there are no bank branches. Some customers are exempted from the fees at the discretion of management.

The Bank also issues manager's checks if a bank demands less than the amount of the check drawn or more than the amount of the check. The difference will be settled by a manager's check.

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DIB_002507t

Dubai Islamic Bank
Public Joint Stock Company
(Incorporated in U.A.E.)



Dear Honored _____,

Subject: Standard Operating Procedures for the Clearing Department

With reference to your letter dated February 11, 1996 and the attached memorandum on work procedures at the Clearing Department, we reviewed the note and found it adequate. In this regard, we refer to the report previously sent to you, and note that since that time, there have been some changes in the department's nature of work. The Emirates Central Bank has recently introduced the Automatic Check Clearing system. This has led to an increase in the volume of work at the department. In the past, this operation was conducted manually. Now, we are doing two types of clearing: manual and automatic clearing. You have seen a description of the manual clearing process. The automatic type is as follows: after completing the manual clearing process, the machine is used to code cleared checks and to enter the amounts of the checks to be cleared. After that, an encrypted receipt is prepared for the number of checks in each group of checks. Each receipt must separately include the number and amounts of checks in detail. The values of the checks is verified through the manual and automatic methods. The value of the checks to be cleared is totaled, and if the values are the same, the checks are sent to the Central Bank for clearing. At the Central Bank, after conducting the manual clearing process, the automatic clearing process is conducted. All the checks are entered for coding in the automatic clearing system at the Central Bank. This system provides all the data related to the check including the amount, name of the Bank presenting the check, total checks received from a certain bank and the total value of checks provided on the same day of the clearing process. There are many other benefits of the automatic system for the Central Bank and other banks. This led us to use the coding equipment in the department. We will enter returned checks into this automatic clearing system if the Central Bank directs us to do so.

May God give us success.

[initial]

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Documentary Letters of Credit Department

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DIB_002509t

**In the name of God Most Gracious and Merciful
Duties of the Documentary Letters of Credit Department**

1- Incoming Letters of Credit (IMPORT L/C)

Includes procedures for letters of credit for the import of goods, especially from outside the country, procedures for commercial transactions, or within the within the country (local letters of credit)

2- Letters of Credit for Export EXPORT L/C

Includes processing letters of credit for export of goods with the country and abroad.

3- Incoming Collection Documents (I.B.C) INWARD BILL FOR COLLECTION

Includes processing documents for incoming goods to the Emirates without documentary letters of credit.

4- Outgoing collection documents (O.B.C) OUTWARD BILL FOR COLLECTION

Includes processing such documents especially for goods exported to foreign countries without a documentary letter of credit.

5- Letters of Guarantee LETTER OF GUARANTEE

Includes issuing and tracking letters of guarantee and retrieving them upon expiration.

6- Credit Facilities for the Letters of Credit Department CREDIT FACILITIES FOR L/C

Includes receiving requests from new and current customers, requests to increase ceilings for outstanding facilities, and preparing a report for the Credit Department and Facilities Committee in this regard.

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[First]: Incoming Letters of Credit**Its Definition**

[It is an] expression for a written pledge signed by the Bank (the issuing bank) and given to the seller (the beneficiary), according to the instructions of the purchaser (the party requesting to open the letter of credit) to pay a certain amount of money in a method agreed upon within a certain period of time against the documents mentioned in detail in the letter of credit.

Simply..., it is a conditional bank pledge to pay.

Its parties are:

The importer/bank/ exporter/intermediary bank/payer.

Categories:**a- According to security level**

- | | |
|----------------|-------------|
| 1- Revocable | REVOCABLE |
| 2- Irrevocable | IRREVOCABLE |
| 3- Unconfirmed | UNCONFIRMED |
| 4- Confirmed | CONFIRMED |

b- According to the time of payment

- | | |
|------------------------------------|-------------------|
| 1- Letters of credit on sight | SIGHT |
| 2- Letters of credit on acceptance | ACCEPTANCE\USANCE |
| 3- Deferred payment | DEFERRED PAYMENT |

c- Others

- | | |
|------------------------------|---|
| 1- Revolving or specified | REVOLVING L/C |
| 2- Transferable | TRANSFERABLE L/C |
| 3- Corresponding | BACK TO BACK L/C |
| 4- Reserve | STANDBY L/C |
| 5. Available by installments | L/C AVAILABLE BY INSTALMENTS (PARTIAL SHIPMENT) |

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d- [Kinds] according to delivery and shipment	
1- Delivery in the factory	EX-WORKS (FACTORY)
2- Delivery to the shipper	FREE CARRIER (FCA)
3- Delivery on truck/rail	FOR/ FOT
4- Delivery at departure airport	FOB AIRPORT
5- Delivery at the side of the ship in the shipping port (fas)	FAS
6- Delivery on the ship (fob)	FOB
7- Delivery (shipping plus shipping fee)	C&F
8- Delivery (shipping plus shipping fee plus insurance)	CIF
9- Delivery of the ship	EX SHIP
10- Delivery clear of fees	DDP

Steps for issuing documentary letters of credit

1- Submitting the Application:

The department receives applications for letters of credit from natural persons and agencies as follows:

- a- If there is no ceiling or the ceiling is exceeded, the request is forwarded to the management or committee for final decision.
- b- If the customer has a facility ceiling granted by the committee or the management, a letter of credit within this ceiling is granted upon request.
- c- If the ceiling is exceeded, the application is forwarded to the committee or management to see if it is consistent with the Bank's work system, if the Bank needs various guarantees from the customer that will ensure the Bank's rights, if it is compliant with Sharia for a Commercial transaction or the type of goods, and with respect to the credit terms and conditions.

2- Methods for Sending the Letter of Credit

Documentary letters of credit are sent in various ways after assignment of a serial number:

- 1- By printing it out on the computer or typewriter on forms specially designed for documentary letters of credit by the bank.
- 2- By the SWIFT system
- 3- Through short telex/complete telex as per the customer's wish

3- Review of the Letter of Credit

If SWIFT or telex is used, a hardcopy must be printed for review to check for errors before transmittal. If the Bank form is used, that form must be reviewed before transmission.

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Final Transmission of the Letter of Credit:

This is done after final approval of the letter of credit and its review and confirmation by the by the Bank employees with signature authority.

Operational entries

During printing of the letter of credit, systemic entries are applied in addition to various commissions and on the receipt of deductions and additions.

[Amending] Letters of Credit after Opening:

- a- Extending the period of shipping and validity of period of exchange.
- b- Increasing the value of the documentary letter of credit: it is approved if it is within the approved ceiling of the customer or by approval of the management or committee.
- c- Reducing the value of the letter of credit
- d- Specifications of goods.
- e- Method of shipping – either whole or partial.

Other amendments that require the approval of the management or committee.

After approval for amendments, operational fees are applied, in addition to the collection of expenses, related commissions, etc.

Dealing with documents (during the validity of the letter of credit):

The Letter of Credit Department will receive shipping documents from correspondents after negotiation and payment of its value to the vendor. In the case of payment on sight or in the case of deferred payment upon acceptance, the specialized employees in the department will examine the documents and match them with the terms of the letter of credit. The employee will make sure that the correspondent did not make any mistakes or violation(s) in the transaction, or did not comply with the letter of credit. In case of violation, the corresponding bank and the purchaser will be notified, and the correspondent will be asked to suspend the letter of credit until this violation is corrected or to get the approval of the customer for the violation, especially if there is a possibility of accepting it on his part.

If the documents are valid, the department will prepare the commercial transaction documents, deduction and addition form, and inform the customer to submit the deferred installments checks, after the correspondent has deducted the sum and added it the beneficiary's account.

After completion of those procedures, the Bank delivers documents to the purchaser after endorsement, while receiving the checks and commercial transaction contracts signed by the customer.

If the goods arrive before documents, a marine or air bill of lading is issued to the customer, providing that other procedures will be done after the arrival of documents as mentioned above.

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But in case of cash letters of credit, the whole deduction is made against the customer is completely and all expenses other and commissions are taken and he is given the documents or the maritime or air shipping guarantee.

[6]. Commercial transaction Scheduling

It is done by entering the data in the commercial transaction file on the computer and applying the various restrictions from regulatory / deduction and addition / various commissions, in addition to scheduling the checks owed from the customer, and then collection is followed up on.

7. Reward for Early Payment of the commercial transaction

That is done after the approval of the management or the committee.

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Second: Outgoing or export letters of credit EXPORT LETTER OF CREDIT**[Its] Definition:**

These are letters of credit opened for the benefit of traders in the country for exporting goods abroad or in the country. Here, our role is like the role of the correspondent bank in the import letters of credit; as we notify the beneficiary “the exporter” and deal with the shipping documents and collection of the value of credit and paying it to the beneficiary after deducting the commissions.

Procedures of the Outgoing or Export Letter of Credit:

The department receives the credit from another bank, whether local or foreign, “usually” either via mail, telex or Swift.

Incoming Letter of Credit received via mail:

1. At the first stage, we match the signature of the people signing the credit as there are models of the signatures of the officers of our correspondent banks. If there are not any, a copy of the credit is sent to the correspondent Bank opening the credit within the country to match the signature.
2. As for the letters of credit received via telex, the department checks whether the code is correct. If we have no decoding, it is decoded by their local correspondent.
3. Or via Swift, as receiving of the letter of credit and decoding are automatically done by the system itself.
 - Then, the employee checks the conditions of the letter of credit, that they are free from any conditions unacceptable for us as the bank dealing with the letter of credit, or that they include terms incompatible with Sharia law, such as mentioning the word “Interest.” In this case, we demand the bank opening the credit to modify these terms.
 - If there is an order from the correspondent bank to confirm the letter of credit, we get management approval that acts as a guarantee of the letter of credit. We pay when it submits the proper documents to us, regardless of the position of the corresponding bank who “opened the credit.” This is a complete service provided to our correspondents only.
 - Then, the beneficiary is notified via mail of the incoming letter of credit after printing special forms of this notification signed by the authorized persons in the Bank.
 - The beneficiary provides the required shipping documents according to the letter of credit after shipment of the goods and submits them to us.
 - The relevant employee takes these documents and confirms their accuracy.

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Discount on the account of the Bank opening the letter of credit and payment to the beneficiary after discounting the commissions and expenses is done. If they are for the beneficiary, according to letter of credit terms. If they are for the one opening the letter of credit, commissions and expenses are added to the bill provided by the beneficiary "the letter of credit value" and by a discount from the bank opening the credit.

Notifying the bank opening the credit of this discount:

- Requesting the bank opening the credit to pay via correspondence if there is no shared account with them.

[Note]: Dangers of Outgoing Letters of Credits are:

1. Confirming the letter of credit before giving notice and confirming it to the beneficiary by verifying the signature and codes properly, as there is certainly a possibility of deceit and fraud.
2. Dealing with the documents accurately, if the employee overlooked, by mistake, one of the terms of the incoming credit and did not pay attention to it. If this happens, the Bank is exposed, after payment and discount, to claiming the value of the sum paid due to this mistake.

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Third: Incoming documents for collection INWARD BILLS FOR COLLECTION (I.B.C):

[Definition]:

[They are] bills for collection. They are documents for goods shipped from abroad for a trader in the Emirates without a documentary letter of credit as the exporter ships and sends the original letters of credit to the Bank to guarantee payment for him. The exporter resorts to this because of a previous agreement with the importer, and due to confidence between both parties.

Types:

- Documents for collection payable on sight, that is the importer should pay the value of the goods before receiving the bills and obtaining the goods.
- Bills for collection upon acceptance, that is; the importer promises to pay and signs the bill attached to the document on a specific date agreed on by the exporter and mentioned in the documents, such as:

60 days after the date of the bill of lading

70 days after the date of acceptance "acceptance by the beneficiary"; and so on ...

- In this case, the Bank has no obligation in case of non-payment by the importer on the specified date.

Steps for receiving the documents for collection:

- The Bank receives the documents, reviews them, and notifies the beneficiary of their arrival.
- The Bank gives the documents to the importer, and the bill is endorsed to him after collecting the amount of the documents + the expenses or the written promises of the beneficiary of payment on the specified date in case of the documents upon acceptance.
- Payment to the beneficiary in the exporting country, according to instructions of the correspondent Bank regarding the documents.
- Following-up on the unpaid collection documents and sending written notifications to the importer, or returning them to the sending country in case of non-payment.
- Following-up on bills payable on specific dates, and sending notifications of them, requiring the importer to pay. In case of delay and non-payment, the bill signed by the importer is sent to the exporter to relieve the Bank of its responsibility.

Note:

Documents for collection may arrive in the name of the Bank for collecting them. Here, the customer and the person obtaining credit facilities may request to obtain them by commercial transaction. Here, the matter is presented to the management for approval.

In case of approval, the customer signs the commercial transaction contracts and presents commercial transaction checks and then he can receive the bills, the transaction, and the goods. The transaction turns into a foreign goods commercial transaction.

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Fourth: Outgoing Collection Documents OUTWARD BILLS COLLECTION (O.B.C):

Here, the Bank plays the role of sender of collection documents, as the customer exports the goods and presents the documents. We, in turn, send them to the importing bank in the other country for collection of their value.

When collecting the value, it is paid to the exporter after taking the commission and the expenses of the Bank.

Fifth: Bank Guarantees

Definition: These are an absolute or conditional promise to pay a certain sum of money, issued by the Bank within a certain period, to the order of a certain party on behalf of the customer of the Bank. Here, the role of the Bank is as an agent.

Steps in Issuing a Bank Guarantee:

1. The customer submits the application mentioning the value / name of the beneficiary / period / reason of requesting the bank guarantee / approved signature.
2. The application is studied in terms of Sharia and legality so that it does not contradict Sharia; that the guarantee is not, for example:
 - Issued for a usury-based bank in return of a sum of money or banking facilities.
 - Not to be in exchange for importing forbidden goods such as wines, forbidden meat, etc.
 - It is also studied from a legal aspect so that the bank guarantees that questionable cases do not affect the reputation of the Bank.
3. If there is an account in the Bank matching the signature of the customer.
4. If the customer has a facilities limit and the application is within the limit, the employee completes the rest of the procedures after the chief of the department and the manager approve it.
5. If there is no limit or the limit is exceeded, the application is transferred to the management or the committee for a final decision.
6. After approval, the employee writes the systemic restrictions of the letter, the discount and addition notes or the cash margin if any, whether in discount on the account or cash payment.
7. Based on the foregoing, the letter is issued either by fax or Swift and then the employee prints the letter, either by computer or typewriter.
8. The data of the letter is entered into the computer and the special register.
9. After printing, the letter is given a final review and is approved by the specialized employees.
10. The original is given to the customer to deliver it to the beneficiary with a copy for the customer (or) the letter is sent by fax or Swift via the correspondent bank or the relevant branch.
11. The customer is notified to return the letter after its expiry date or when its purpose is completed, unless it is to be renewed.
12. The letter is deleted from the register and the computer after reversing its record in the system so that there is no further obligation by the Bank or the customer.

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[Types] of Guarantees:

1. Guarantees on joining (initial) bids or tenders.
2. Performance Bank Guarantee (concerning projects).
3. Guarantee of advance payment (building contracts / selling and buying / etc.).
4. Maintenance guarantee (for contracting projects).
5. Customs guarantees (to guarantee goods entering or leaving the country within 6 months, issued for the Ministry of Finance or Customs).
6. Automobile Club guarantees, and guarantees of the Ministry of Labor that employees will not flee.
7. Confirmed and corresponding guarantees issued by order of correspondent banks from abroad or in the country for the benefit of the beneficiary as the bank, on behalf of them, issues these guarantees with deductions for its commissions and expenses.

Sixth: Credit Facilities CREDIT FACILITIES

A specialized employee receives new facilities applications, or the applications of current customers, to increase facilities. His tasks include:

- Welcoming new customers and acquainting them with the Bank system and the services the letters of credit department can provide to them.
- Preparing the memos of the department for the credit committee.
- Explaining the customer's position and his transactions if the customer requests an increase in the facilities and makes a recommendation to the department concerning his request.
- Receiving the decision of the credit facilities committee and following-up on implementation within the department.
- Keeping the files of the facilities of the customers.
- Following-up the requests of the customers, studying any problems facing them, and submitting a report on that to the management.

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Work carried out by the Documentary Letters of Credit Department [can] be dealt with in the following aspects:

Sharia [Aspect]:

The Documentary Letters of Credit Department [is responsible for] applying one of the basic pillars in Islamic transactions which is the commercial transaction sale, as import, export, [increase}, and execution [processes] are implemented by using documentary letters of credit as a means of implementing selling and buying as required the Sharia principles. The department [fulfils] all the terms of the commercial transaction through opening a letter of credit and delivery of the documents and goods and informing the customer [who] desires to open the letter of credit that the process of funding the letter of credit as he wishes happens according to the conditions required by Sharia in the commercial transaction process. The Bank takes his place as purchaser from the foreign or local exporter, and the Bank purchases first, notifies the customer of the purchase [price], adds it to the [purchase] price, and that becomes the selling price to the customer. The Bank is responsible for delivery of goods that are the subject of the letter of credit according to this obligation. The Bank makes sure that all the shipping documents are in its name to assure and prove it has purchased, and it endorses these documents to the customer so he can receive the goods that are the subject of the letter of credit.

The role of the Bank in terms of Sharia is not limited to letters of credits only. Rather, it also includes collection or acceptance documents. The seller ships the goods to the local buyer without opening a documentary letter of credit or receiving the price from the buyer in advance. The Islamic Bank requires for the sake of Sharia that all shipping documents received for collection or acceptance are in its name too. This is to prove its position as an actual purchaser. It completes the commercial transaction, as it is the case of a documentary letter of credit, and makes sure it is Sharia-compliant in all its steps, from preparing the shipping documents, delivery of goods and payment of the commercial transaction installments.

The role of the Bank in terms of Sharia in the documentary letters of credit department also includes issuing bank guarantees. When issued, care must be taken that they are Sharia compliant. The Sharia issue must be as far as possible from usury transactions. When issuing the guarantees requested by foreign banks, correspondent banks, and banks abroad, the Bank should also take into account the Sharia aspect of it.

In many cases, the word "interest" is included in the desired guarantee and the documentary letters of credit department will refuse to issue them unless they are corrected and this word and all other words indicating usury are deleted.

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[The] Legal Aspect:

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The Documentary Letters of Credit Department is committed to take into account the integrity of letters of credit, collection documents, and guarantees from a legal aspect. This is due to a crucial reason, which is considering them as contracts concluded among their many parties. Before opening the documentary letter of credit, the Bank receives an application from the customer expressing his desire to import goods, providing services, etc. The application is signed by the person authorized to issue and sign it. If one or some of these elements are absent, the application is legally incomplete and does not result in binding effects on the Bank. But if the application is complete and the Bank approves it, the contract is concluded between the Bank and the customer and it results in commitments and rights for both parties. The Bank is committed to import the goods that are the subject of the documentary letter of credit after payment of their value to the foreign seller via the correspondent (banks) abroad and providing the commercial transaction facilities. In this case, the Bank has the right to receive the commissions and expenses in return for these services, in addition to its right to the profits generated from the difference between the buying price and the selling price, which are usually paid within the commercial transaction installments.

Making the contract is considered a customer cost between the two banks who open the letter of credit, inform the beneficiary, and deal with its documents. Both of them are required to do what is required. The Bank opening the letter of credit must issue it as soon as it receives it and the commission for opening it. The bank notifying the letter of credit must also notify the beneficiary as soon it receives it, deal with its documents within the legal period, receive the commission for that, and confirm it in case of confirmation, and receive the confirmation commission set for that.

The commitments of the contract between the vendor and the seller and the buyer or the importer commercial transaction letters of credit are toward the Bank opening the letter of credit and the foreign seller. The foreign seller must ship the goods and insure them if required by the conditions of the letter of credit. This confirms making more than one contract before and upon the shipment of the goods that are the subject of the letter of credit. The seller or exporter requires the companies to pack, inspect, ship and insure (the goods). Each must carry out his duty according to his specialty. All of these are considered contracts between each of them and the seller or the exporter and they result in obligations and rights for each party.

The Bank opening the letter of credit should make sure that the documentary letter credit includes a paragraph stating that it is subject to the unified regulations and norms for documentary letters of credit (International Chamber of Commerce) Edition Number 500 of 1993. Moreover, the seller, exporter, and Bank dealing with the letters of credit should note the existence of this paragraph in the documentary letter of credit. The importance of this paragraph arises from the necessity of identifying the international laws that must be applied in case of disputes arising among its many parties.

The department of documentary letters of credit also takes responsibility for ensuring the validity of the documents or acceptance of guarantees from a legal aspect. In case of collection or acceptance documents, the Bank is committed only to deliver the shipping documents in return for paying their value or the buyer's signature on the deferred acceptance bond. In return for that, the Bank receives the scheduled commissions and the Bank also engages in the commercial transaction if the documents are in its name. It states that it, the bank, is the first buyer of these goods. The Bank receives the profits of the commercial transaction. The Bank should not deliver the shipping documents to a person or agency other than those specified by the Bank which sent these documents, to execute the current commitment and norm among banks in this regard.

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The Bank [takes into account] applying the legal aspects when issuing banking guarantees. It must confirm the correctness and validity of the application of issuing [the guarantee], since it should be issued by the party desiring to issue it, and should not be conditional. If adding a condition or conditions is needed, [cut off] confirmed that there is an element of impossibility in the condition or conditions to absolutely prevent payment, as that is the purpose for its [issuance].

The Technical and Banking Aspect:

The Documentary Letter of Credit Department is obligated to take into account the technical and banking aspect when issuing the documentary letters of credit, or receiving collection documents, acceptances or bank guarantees.

To confirm the banking or technical aspect in the documentary letters of credit, employees in the Documentary Letter of Credit Department must confirm that the application for the letter of credit has been correctly and completely filled out. This is since letter of credit that is sent depends on its data from the application form the customer (the buyer) or the importer prepares. If this data is incorrect and incomplete, the letter of credit will be incomplete, which will lead to invalidating the shipment of the goods or sending them in a way other than that the buyer wants. Moreover, the conditions of payment etc. may be unclear in the application, leading to results that the buyer or seller do not want.

The most important steps taken in precaution against such mistakes in preparing the application to open the letter of credit are: having a list of the things that the letter of credit employee must confirm before accepting the application and the management approving it. This list clarifies for the employee the steps that should be followed. He starts by identifying the date of issuing the application to know whether the application is delayed by the customer or the Bank. Then he moves to the type of letter of credit, whether it is revocable or irrevocable, whether it is confirmed or unconfirmed, whether it will be sent via mail or via short or complete telex, whether shipping is via air or sea, and what documents the purchaser desires to receive, such as the certificate of origin, packing etc. The specialized employee should also confirm partial or complete shipping by marking this in the application and clarify the dates of shipping, the port, a clear description of the goods required, the quantity, and the unit price.

When receiving the shipping documents, the Documentary Letter of Credit Department is responsible for matching the documents with the letter of credit and confirming that the vendor has fulfilled the conditions of the letter of credit and there are no apparent violations in the documents. If these violations exist, the Bank should notify the correspondent that [created] them to return the sums of money he paid to the seller, and return the documents to him if he does not respond to this demand.

The Bank should also take into account the technical aspects when receiving collection or acceptance documents, by reviewing the schedules attached to the documents and confirming the steps specified by the correspondent Bank for the sender to receive these documents. If delivery is upon acceptance, the acceptance should be in writing by the purchaser on the bill that is usually attached to the shipping documents. If the delivery is to be upon payment, that should be done before delivery.

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Moreover, the Bank should take into account the technical aspects in issuing bank guarantees, issuing them with an indication that they are non-endorsable. This guarantees that they do not depart from the main purpose for which they are issued, which is to guarantee execution of a specific transaction.

Conclusion:

This was a brief summary about the jobs assigned to the Documentary Letter of Credit Department for incoming and outgoing letters of credit, letters of guarantee, incoming and outgoing acceptance documents, and credit facilities.

We ask Almighty God that we have succeeded in clarifying the tasks of the Documentary Letter of Credit Department.

May God give us success for the good of Muslims and the good of this institution.

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Commerce and Financing Department

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Steps for Execution
to Conduct the Transactions of the Commerce and Financing Department

Steps for execution to conduct all transactions are divided into three main stages as follows:

- Stage of meeting the customer and filling out the forms for the required transaction.
- Stage of preparing the application for presentation to the management ⁽²²⁾.
- Stage of implementing the transaction and entry of data on the computer.

First: Stage of meeting the customer and filling in the forms of the required transaction:

1. Welcoming the customer and listening attentively to his request.
2. Fully explaining the method and conditions to implement the transaction ⁽²³⁾.
3. Filling out the application form for the required transaction and signing of the customer on it.
4. Completing the documents ⁽²⁴⁾ required from the customer.

Second: Stage of preparing the application for presentation to the management:

1. Confirming that the name of the customer is not on the black list ⁽²⁵⁾ (Program Number <39> in the commercial transaction System).
2. Confirming whether there has been a previous transaction with the Bank or not (Program Number <17> in the commercial transaction System).
3. If there was a previous transaction, that means there is a customer number by which the comprehensive position can be printed to know his accounts and transactions if any (Program Number <15> in the commercial transaction System).

²²- Wherever the word “management” is found in this guide, it means the agency authorized to approve the implementation of the applications of the customers, such as the Department Head, Assistant Department Head, the Manager, the Branch Manager, the Investment and Financing Committee, each according to his specified powers.

²³- The employee of the Commerce and Financing Department should keep a file containing all the decrees and instructions in effect which show the conditions of implementing the transactions and the profit percentages.

²⁴- See Chapter of Appendixes in the booklet of “General Definition”

²⁵- If the name of the customer is on the black list, the Bank management should be informed of that before completing the rest of the procedures.

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4. Printing the data of the commercial transactions and former transactions if any (Program Number <8> in the commercial transaction system) and printing the installment lists (Program Number <10> in the commercial transaction system) to review the level of previous repayment.
5. Preparing a summary, in the place specified on the application form, about existing transaction balances and on the level of repayment of installments of existing and previous transactions and on the credit accounts of the customer if any.
6. Preparing the initial calculation of profits and installments.
7. Presenting the application to the management (in case of a manufacturing finance transaction, the application is referred to the Credit Department; in case of commercial property transaction , a special request is sent to the Real Estate Projects Department to get a property evaluation before presenting the application to the management).

Third: Stage of executing the transaction and entry of data into the computer:

1. Manufacturing Finance Transactions:

- Preparing the calculations and the schedule of installments, and send a copy of them with a full copy of the file to the Legal Affairs Department, to prepare the manufacturing finance and contracting contracts, and for supervision and to make the mortgage.
- Receiving the down payment and the installment checks and checking them by the department reviewer (note that the installment checks are not dated in cases when commencing the business is on the date of receiving the municipality notification, as this date is unknown when signing the contracts and receiving the checks).
- Completing the main files on the computer:
 - Maintaining the manufacturing finance for buildings file
 - Maintaining the guarantees file
 - Maintaining the contractor file
 - Maintaining the consultant file (if any)
- Making the down Payment Entry
 - A. down payment cash Payment
 - From Cashier account
 - To Manufacturing Finance for Buildings Transactions account (1/1/5/130)
 - OR
 - To Manufacturing Finance for Buildings Temporary account (1/24/1/630) *

- Sometimes, the down payment is paid in several parts based on the management approval. Thus, the down payment parts are deposited in a temporary account until it is complete, and then it is transferred to the manufacturing finance account.

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B. down payment paid by check

From Bank account

To Manufacturing Finance for Buildings Transactions account (1/1/5/130)

OR

To Manufacturing Finance for Buildings Temporary account (1/24/1/630) **

• Receiving a copy of the contracts from the Legal Affairs Department in addition to what proves that the required steps for the mortgage have been completed.

• Issuing the main entry for the transaction as follows:

From Manufacturing Transactions for Buildings Account (1/1/5/130)

To these mentioned

Building Contractors under settlement (1/1/2/600)

Building Consultants under Settlement (1/1/3/600)

General Building Manufacturing Finance Revenues (1/7/2/800)

Manufacturing Finances for Buildings under settlement for the Year

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Note: As calculating the profits in the manufacturing finance transactions is done in a decreasing manner, the specialized employee should specify the profit of each installment manually (or by using the computer if available) in preparation to distributing the profits on the payment years, taking into account the years overlapping.

• Receiving the periodical payment extracts approved by the Real Estate Projects Department and issuing the checks due to the contractor and the consultant or adding the value to their accounts in the Bank if they requested that. Accounting entries are done by the program of "Contractor/ Consultant Payments activity" as follows:

* - If the check is drawn on the Dubai Islamic Bank, it is collected by the program "Entry or Reversal of the Payment presented"

- If the check is drawn on another bank, it is sent to the Clearing department for collection.

- The down payment can be deducted from the current/saving account of the customer if he signed an authorization of that.

** - Sometimes, the down payment is paid in several payments, based on the approval of the management, then the parts of the down payment are deposited in the temporary account until it is complete, and then it is transferred to the manufacturing finance account.

From Building Contractor Under Settlement Account (1/1/2/600)

To checks Payable Account (1/4/1/700)

OR

To Current Account of the Contractor

From Building Consultants Under Settlement Account (1/1/3/600)

To Checks Payable Account (1/4/1/700)

OR

To Current Account of the Consultant

- In most of the manufacturing finance transactions, the date of commencing work is the same date of receiving the notice from the municipality. When receiving the letter of notice, the date of delivering the building to the customer is specified as well as specifying the dates of the installment checks. If the checks are drawn on the Dubai Islamic Bank, they are sent to Internal Clearing . If they are drawn on other banks, they are sent to the Clearing Department attached to the collection registers.
- Installments are automatically collected on the date they are due, and as a daily report is issued showing the collected and uncollected installments.

2. Real Estate commercial transaction

- Receiving the files of the approved applications and informing the customer of the execution conditions.
- Preparing the calculation and issuing the number of the transaction by using the program "commercial transaction files maintenance".
- Fulfilling the promise to buy and approval of the calculation by the customer.
- * Receipt of the down payment; the recording must be as follows:

A. Cash Payment of the down payment

From Cashier Account

To Buildings commercial transaction buying and Selling Account (1/1/6/130)

OR

to Temporary Account for Buildings commercial transactions (1/21/1/620)

..

**Sometimes, the down payment is paid in several payments, based on the approval of the management, then the parts of the down payment are deposited in the temporary account until it is complete, and then it is transferred to the manufacturing finance account.

- Reviewing the complete file of the transaction and getting the remainder of the authorized signatures.
- Sending a copy of the files with the two checks of the beneficiary and the registration and mortgage fees to the Legal Affairs Department for execution.
- Sending a copy of the files with the checks and rent contracts to the Real Estate Services Department if the management has required the Bank to manage the real estate property.

3. Cars and Goods commercial transactions:

- Entering of the transaction calculation to the computer and issuing the transaction number.
- Receiving the down payment and conducting the necessary entry as follows:

A. Cash Payment of the down payment:

From Cashier Account

To Cars (or Goods) commercial transactions account

OR

To Cars (or Goods) commercial transactions under settlement account **

B. Payment of down payment by check

From Account of the Bank *

To Cars (or Goods) commercial transactions account

OR

To Cars (or Goods) commercial transactions under settlement account **

- Receiving installments checks as follows:

A. If the customer has an account at the Bank, checks are automatically printed by using the program of "Printing the commercial transactions Installment Checks".

** Sometimes, the down payment is paid in several payments, based on the approval of the management, then the parts of the down payment are deposited in the temporary account until it is complete, and then it is transferred to the manufacturing finance account.

* If the check is drawn on the Dubai Islamic Bank, it is collected by the program of "Entry or Reversal of the Payment presented"

- If the check is drawn on another bank, it is sent to the Clearing Department for collection.

- The down payment can be deducted from the current/saving account of the customer if he signed an authorization to do so.

Transfer of Debt:

Sometimes, the customer requests to transfer the installments to another customer for car commercial transactions and registering the car ownership in the name of a new customer. The transfer process is done under the following conditions:

1. No installments are due on the car.
2. New customer is not on the black list.
3. Installments are transferred at the same value and on the same times.
4. Guarantees are presented as they were in the case of the first customer.

Procedures:

1. Printing the installments record to know the commercial transaction balance and confirm there are no payable installments. If there are any installments due, the customer is required to pay them in cash before conducting the transfer process.
2. Confirming that the name of the new customer is not on the black list by using the program of inquiry about the file of those on the black list and signing the form prepared for that.
3. Printing the previous commercial transactions record, if any, of the new customer by using the program of inquiry about the commercial transactions of the customer.
4. Printing the comprehensive position of the new customer.
5. Drafting the debt transfer form and obtaining the signature of the first customer (the assigner) and the new customer (the assignee) and obtaining their signatures in front of the specialized employee.
6. Drafting the sale of car agreement between the first customer (seller) and the new customer (buyer) and obtaining their signatures in front of the specialized employee. Then attaching all the previous documents to the commercial transactions file.
7. Getting the agreement of the department head or the specialized branch manager on the debt transfer.
8. Drafting installment checks at the same value and dates of the previous installments (in case of the first customer).
9. Sending the file with the debt transfer attached to it to the department reviewer for review of the transfer process and confirming that the customer has met all the required conditions and documents, and reviewing the checks and sealing the file, which indicates the review is done.
10. Drafting a message to the insurance company which issued the first comprehensive insurance for the customer on the car to transfer the insurance to the new customer and obtaining a copy of the insurance (certificate) and attaching it to the file.

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11. Drafting a message to the General Directorate of Traffic to register the car in the name of the new customer while keeping the mortgage mark on it.
12. Obtaining approved signatures on the message to the insurance company and the traffic authority and [illegible] them with the Bank seal.
13. Delivering the traffic registration papers to the new customer to register the car in the relevant traffic directorate and delivering the car to him.
14. Sending the file to Accounts to conduct the transfer on the computer as follows:
Using the program of the commercial transaction transfer to another customer, and after confirming of the correctness of the data which has been entered, especially the total sum of the installments and comparing it to the sum of the debt transfer, writing the number of the new customer and his name on the outside of the folder cover.
The interior clearing employee receives the checks and signs the file stating thereby his receipt of the checks and then handing out the file to the file room employee.
The interior clearing employee enters the checks data into the computer exactly as in the case of an ordinary car commercial transaction.
When bringing the original car ownership, the specialized employee copies it, signs that it is an exact copy, and keeps the copy in the file after entering the number of the car in the program of the car file maintenance.
Confirming of withdrawing the checks of the first customer from the (interior or main) clearing (department) and delivering them to him.

Explanatory Appendix

of the steps for entering the data into the computer and the procedures for collection of the down payment (advance) and issuance of the main entry for all commercial transactions

First: Preliminary Procedures:

- Using the computer to confirm the name of customer is not on the black list by using the program of inquiry about blacklisted customers Number (39) in the commercial transaction system.
- Asking the customer about previous transactions to get his customer number. If that cannot be done, inquiry is done on the computer by using the inquiry program by name, program Number (17) in the commercial transaction system, to get the customer number.
- By using the customer number, the comprehensive position of the accounts of the customer can be obtained by using the inquiry system about the accounts of the customer Number (15) in the commercial transaction system.
- By using the customer number, the data of the previous commercial transactions of the customer, if any, can be obtained by using the inquiry system about the commercial transactions of the customer Number (8) in the commercial transaction system.
- By using the inquiry program about the commercial transaction installments Number (10) in the commercial transaction system, the payment methods of the customer in previous transactions are confirmed.

Entering the preliminary data to the computer after obtaining the approval of the department head or the specialized branch manager and review

A) If the customer number exists:

We open the file of the commercial transaction maintenance Number (40) in the commercial transaction system on the computer and then select (add) and write (the number of the customer account) and then press F12

We enter the following data:

- Type of the commercial transaction (01) for cars
- State of the commercial transaction (01) new
- Date of the promise contract
- Date of the final selling contract
- The car value
- The insurance value
- The down-payment value

- Number of installments
- Way of payment (monthly, quarterly, three times a year, semiannually, every 9 months, yearly)
- Way of calculating the profits (fixed, decreasing installments with decreasing profits, fixed installment with decreasing profits, employee without profits).
- Value of the first installment
- Date of the first installment
- Then, by pressing the F12 key, the data are initially added and after confirming they are correct, the F12 key is pressed once again. But if there is an error, it must be corrected and the F11 key is pressed for the required correction and then the F12 key is pressed for finally adding the data and then we have the serial number of the commercial transaction shown, as in the following figure for example:

9601XXXX

Which means...

96	01	XXXX
Year	Type of commercial transaction	Serial Number

Then, we write this number on the cover of the file folder:

B) If the number of the customer does not exist:

After confirming there is no previous customer number, a new account is opened for the customer by using the program for issuing the customer number for new customers Number (1) in the commercial transaction system.

Then, we write the following data:

- | | |
|------------------------------|---|
| - Full Name | - Year of Birth |
| - Address of Correspondence | - Religion (Muslim – Not-Muslim) |
| - Name in English | - Gender (Male – Female) |
| - Phone Number | - Residence (Resident – Not-Resident)- |
| - Fax/Pager Number | - Passport Number |
| - Language of Correspondence | - Branch |
| - Nationality | - Economic Code |
| - Legal Form | - Number of Commercial License in case of Companies |

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- Date of issue
- Place of issue

- Date of expiry

- Then, by pressing the execution key (F12) data will be added and we can see the new customer number, which you will type on the outer envelope of the file. In case of companies, the program allows us to add partners' data. Then you press execution key (F12) to add this data.
 - We will enter data in the main Commercial transaction file number (40) in the Commercial transaction system.¹

Collecting the down payment from the customer

In the case of a down payment in cash:

Cash payment voucher will be issued, including the following data:

- Date
 - Commercial transaction Account number (General Ledger)
 - Customer number
 - File Serial number
 - Amount in figures
 - Amount in letters
 - Customer name
 - Note about the payment type (advance payment- whole installment - partial installment)
 - Note about the depositor (customer- guarantor- other)
- The customer pays the amount in cash at the branch safe of the department, the cashier keeps the original copy of the notice, and then provides the customer with a copy, while another copy is kept in the file.
 - The cashier delivers the original notices to be entered into the computer using the entry program / reversal of payment received number (5) in the commercial transaction system as follows:
 - Writing customer number
 - Writing the file number
 - Payment type (advance/down payment – whole payment – partial payment- several payments)
 - Method of payment (cash – check on Dubai Islamic Bank–check on another bank- deduction from account)
 - Payment made by customer – guarantor – court - other)

Then press the key (F12)

¹ - See page (1), entering initial data to the computer

Then we write the following data:

- Amount (shown automatically)
- Number of notice (receipt of payment)

Press the key (F12) to add the action

The screen will display (amount of the action – Number of the action, balance of the Commercial transaction) and then we will seal the receipt, showing that the action is entered, along with the screen number and action number, and send the receipt to general accounts.

In case of a deposit by check drawn on Dubai Islamic Bank

- The check is received from the customer and sent to the signature matching unit to match the customer signature
- Preparing checks deposit register and writing the following data:
 - Date
 - Commercial transaction account number (General Ledger)
 - Account number (commercial car transaction)
 - Amount in figures
 - Account number on which the checks are withdrawn
 - Check number
 - Check date
 - Bank name and branch
 - Amount in letters
 - Customer number
 - File number

The check will be collected in the computer by using entry program / reversal of payment received number (5) in the Commercial transaction system as follows:

- Writing customer number
- Writing the file number
- Payment type (advance/down payment– whole payment – partial payment- several payments)
- Method of payment (cash – check on Dubai Islamic Bank –check on another bank- deduction from the account)

Payment made by (customer – guarantor – court - other)

Then press the key (F12)

Then we write the following data:

- Amount (shown automatically)
- Number. of notice (deposit register)
- Customer account number or the account on which the check is drawn)

Pres the key (F12) to add the action

The screen will display (amount of the action – number of the action, balance of the commercial transaction) and then we will seal the notice, which shows that the action is entered, along with the screen number and action number. The check and the original register are sent to the general accounts department, a copy is placed in the commercial transaction file and a third copy is given to the customer.

C-In case of a deposit by check drawn on another bank:

- The check is received from the customer and check deposit register is made, where the following data is written²⁷:
- Sending the check with the register to the clearing department in order to send it for collection and signing the register as received and returning the two register copies to the specialized employee.
- The employee should retain a copy of the register in the file and give a copy to the customer.
- Upon collection of the check and receipt of collection notice from the general accounts department, the accountant should enter the deposit collection action in the computer using the input program / reversal of payment received Number 5 in the commercial transaction system as follows²⁸:

D- In case of a deposit deducted from the current account or savings account

- The customer writes a form for deduction from the account in which he authorizes the Bank to deduct the amount from the current account or savings account, and then sends the form to the unit of signature matching to match the customer signature.
- The form is sent to the department accounts to issue a deduction notice from the customer account and add it to the Commercial transaction account, where the following data are written in the notice:
 - Date
 - Number of customer's Current or Savings account
 - Customer Name
 - Number of Commercial transaction account (General Ledger)
 - Name of Commercial transaction account
 - Amount in figures
 - Statement
 - Amount in letters
- The customer account number and the file number should be written at the top of the notice.
- The notice is then sent with the form to the department reviewer for the purpose of review and then the notice is sealed as reviewed and the signatures required for the authorization of the notice are obtained.

27 See page (4) Writing the data of the folder for deposit drawn on Dubai Islamic Bank

28 See page (4) Collecting the check in the computer by using the program entry /reverse payment presented number 5 in the review system.

After obtaining signatures on the notice, it is sent to the accountant to collect the deposit in the computer using input program / reversal of payment received number 5 in the commercial transaction system as follows²⁹:

Installment checks

(A) If the customer has a current account at the Bank

The employee should print installment checks using Commercial transaction installment checks printer program Number 41 in the commercial transaction system, where the following data should be written:

- Customer number
- Serial number of the file
- The current account number from which the installments are drawn, and then pressing the key (F12)
- Upon pressing the key (F12) again, printing checks is started and then to be submitted to the customer who will sign them. After matching the signature of the customer, the checks are attached to the file.

(B) If the customer submitted checks drawn on other banks, he will write the checks and sign them before the specialized employee who will receive them and attach them to the file.

- Issue a local purchase order (L.P.O)
- The specialized employee will issue the local purchase order and print its data in accordance with the quotation submitted. The following data should be written in the purchase order:
 - Date
 - Reference
 - The name of the agency to which the purchase order is submitted.
 - Name of the Bank representative authorized to receive it
 - Amount
 - Details of the car / goods required to be received
- Requesting the customer to provide comprehensive insurance on the car (in case of cars) on behalf of the Bank and attach a copy of it within the file.

It should be noted that if the insurance is from other than the Arab Islamic Insurance Company, the customer is requested to deliver a receipt denoting payment of the insurance installment and attach a copy of the receipt to the file.

¹⁹ - See page (4), collection of the down payment in the computer using program input / reversing payment presented Number (5) in commercial transactions system

Entering the rest of the file data in the computer, as follows:

(A) The car/ goods maintenance file program

Accessing the program through the complete Commercial transaction file entry program Number 40 in the Commercial transaction system.

Write the customer account number, the file number and choose (1) to add, then press the key (F2) to display car maintenance file program.

This requires writing the following data:

- Car / goods type
- Manufacturing year
- Cylinders
- Private / public
- Car number
- Date of registration
- The name of the person to which the car is registered
- The date of receipt from the agent
- The date of delivery to the customer
- Condition of the car
- Mortgage history
- Color
- Engine number
- Chassis number
- Registering agency

Upon pressing the key F12, the data is added and then upon pressing the key (F2), the following will be displayed:

(B)- Maintenance for agent file program

The following data should be written:

- Agent code
- Quotation Number
- Purchase order number
- Sale bill number
- Bill value
- Check number
- Check value
- Date of forwarding to the general ledger
- Quotation date
- Purchase order date
- Sale bill date
- Date of check

Upon pressing the key (F12), the data is added, and upon pressing the key (F2) again, the following will be displayed:

(C) Maintenance program for insurance file (in case of cars): the following data is written:

- Insurance company code

- Code under which insurance was done
- Number of insurance policy
- Type of insurance
- Insurance term
- Amount paid
- Account number of the Arab Islamic Insurance Company, if the insurance has been made through it

Upon pressing the key (F12), this data will be added and upon pressing the key (F2), the following will be displayed:

(D) Maintenance for guarantees file program, where the following data will be written:

- Guarantee type
- Amount of guarantee
- Number of guarantor (1) account, if any, and date of approval
- Number of guarantor (2) account, if any, and date of approval
- Number of guarantor (3) account, if any, and date of approval
- Number of guarantor (4) account, if any, and date of approval
- Number of customer account in the Bank
- Number of guarantor account in the Bank
- Number of customer account in other bank
- Code of other bank
- Branch code
- Number of guarantor account in other bank
- Bank code
- Branch code
- Code of account authorized for installments
- Other guarantees
- Upon pressing the key (F12) data is added

Issuing the main entry

The main entry of the commercial transaction is issued using the entry program /reversal of main entry Number (4) in the commercial transaction system

- Write the desired selection (Entry or Rev). In case of the addition, choose (Entry)
- Write the customer account number
- Write the file number

Then, press the key (F12)

The particulars of the main entry will be displayed on the screen and after reviewing these particulars, press again the execution key (F8) to add to the main entry data and press the key (F8) to print the main entry.

The main entry and the beneficiary check should be attached to the file, and the file should be sent to the department reviewer for final review.

- After review, the file is sent with the main entry and the beneficiary check to get the authorized signatures on the main entry and the beneficiary check.
- The original copy of the main entry to the general accounts department and a copy of the file are kept.
- The check is kept with the specialized employee until the delegate of the agent comes to receive the check.
- -The file and the checks to the specialized internal clearing employee who will sign on the file that he received the checks.

The internal clearance employee will enter the check data in the computer according to the following:

(A) Checks drawn on Dubai Islamic Bank:

Checks data is entered in the computer using the new commercial transaction installment entry program Number (9) in the Commercial transaction system. The number of the customer account, the file number and the number of the first check are written. By using the execution key (F12), the checks log is automatically displayed to explain:

- Installment Number (check)
- Date of installment (check)
- Installment amount (check)
- Check Number

After reviewing the entire register and ensuring that it is correct as well as changing the necessary things, if check numbers are not in sequential order, the key F12 is used to add checks data in the computer.

Then the clearing employee will keep the checks in the check safe dedicated to it in accordance with the dates the checks are due.

(B) Checks drawn on other banks:

Checks data is entered in the same way as in the case of checks drawn on Dubai Islamic Bank, but the internal clearing employee does not keep them. Instead, he will do the following:

1. Use commercial transaction Installment Inquiry Program, the Detailed Installment Inquiry program Number 10 in the commercial transaction system by writing the account number and the file number as well as using the key (F12) to display the detailed register of the installments. The employee may use the key (F2) to print checks registers.

2. Attach checks to the register after making a copy of the register and attaching it to the file. Then he seals the registers of original checks with the stamp denoting that they are added in the computer, which adds them automatically to the clearing department files. Then, the checks are attached with the registers and the computer daily report, and sent to the clearing department to receive the checks and keep them there.
3. The clearing employee will hand over the file after that to the file room official to keep them in the file cabinet prepared for that according to a particular system (by file numbers).

In case of cars, upon bringing the original car ownership documents, the specialized employee will make a copy of them and sign that they are exact copies of the original. A copy should be kept in the file after entering the car number in the car file maintenance program and a reviewer's signature on the file.

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Investment and Foreign Relations Department

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Investment and Foreign Relations Department Work

The Investment and Foreign Relations Department ("IFR") is assigned to invest the funds of the Bank and its depositors in International Commercial transactions and in financing international commerce. It also participates in speculation, partnerships, and other activities in conformity with the banking, legal and Sharia rules.

International Commercial transactions:

Through this type of investment, commercial transaction applies to the commodities that are generally offered in international markets, except for the commodities forbidden under Sharia law. Commercial transactions are conducted by agents acting on behalf of the Bank. Those agents are appointed based on the standards of international reputation, adequate financial capability and stability of profits and dealings. The Bank-agent relation is governed by agreements setting forth their mutual obligations and the procedures that should be undertaken to complete international Commercial transaction transactions under Islamic law. Moreover, the Bank's management sets a limit for the dealings conducted with each agent.

In accordance with an agency agreement, after approval is given by the management, an agent is notified regarding the Bank's desire to invest a certain sum in an international commercial transaction. The Bank then receives a positive response from the agent, describing the commodity required to be purchased, its price, the required term of finance (which would customarily be roughly thirty days), and the forecasted proceeds of financing as per the commodities financing prices prevailing in London. Prior to transferring the amount, the agent prepares the required deed of guarantee and sends it to the Bank. Thereafter, the amount is transferred. The Bank further receives documents proving that the sale and purchase transaction has actually happened.

The department then creates accounting entries that reflect the transactions in books prepared for this purpose. They add the amount of investment to the account of the correspondent, who transfers it to the seller, and deduct it from the international Commercial transaction accounts. When the term of finance expires, the Bank receives the amount plus the profits agreed upon. The previous accounting entries then reflect the deduction from the account of the correspondent bank and addition to the Commercial transaction and profit accounts.

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2) International Trade Financing

IFR supervises the financing of international trade. For this purpose, IFR receives offers/ from various foreign entities, which request financing for exporting certain commodities from one country to another. In this case, a local or foreign company or institution makes an offer describing the commodity desired to be financed, the seller, and the forecasted profit. The department then studies the offer and investigates the entity desired to be financed, the guarantees provided, and the proceeds forecasted. The offer is then sent to the Senior Management of the Bank for approval. After an approval is given, a contract is prepared. This contract covers all the data referred to above and the rights and obligations of both parties. After the contract is signed by the financing applicant and the Bank, financing entries are made. AT the end of the financing period, the entries are reversed in the manner stated in Item (1) above.

3) Speculation and Partnerships

The Bank participates, jointly with other international Islamic banking and finance institutions, in financing projects and purchasing goods and equipment for a number of countries. In this case, the Bank's contribution aims to invest by means of Speculation or partnership. In case of Speculation, the Bank signs a Speculation agreement with the Bank or the finance institution which desires to speculate. By these agreements, the said institution acts as a speculator while the Bank acts as a capitalist. The speculator obtains a speculation commission as set forth in the speculation agreement and is not held liable for the capital in case of loss. In case of partnership, the bank managing the financing transaction collects the contributions from contributors. Contributions are made under conditions to be set by the managing bank, including the expected contribution of each contributor, forecasted proceeds, term of finance and guarantees.

A speculating bank is an entity assigned to manage the financing. Nevertheless, a number of contributors may be permitted to be involved in the financing management with it. They are allocated portions of the management expenses and their specified investment profits. Speculation can be done either through documentary letters of credit or normal financing that is supervised by the speculator.

4) Leases

Investment may take various forms of lease that are provided by the Islamic Bank to its customers. In this case, the Investment Sector reviews the offers submitted by banks and institutions requesting financing of their transactions by means of lease. Leasing includes airplanes, ships

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Various kinds of equipment such as railroad cars, their lockers, agricultural equipment, buildings, roads, telephones, computers, etc.

The department studies the offers, and if they offer is found to be acceptable IFR obtains confirmation from the offer or regarding its offer with the related guarantees, proceeds, and scope of uses. After the Senior Management approves an offer, the implementation phase starts wherein the Bank purchases the objects that are the subject of the lease and delivers them to the financing applicant under conditions agreed upon. It may further be agreed that such objects be sold when their prices are paid. The Bank may either transfer them to the lessees or sell them under the conditions of each lease agreement.

[5]) Other Activities

The Investment and Foreign Relations (IFR) department prepares the ceilings required for each bank or institution dealing with the Bank in the commercial transaction, speculation, leases and financing. These ceilings are determined based on the Bank's need for investment and are built on the level of each bank or institution, i.e., its capabilities and the guarantees it provides. Before the bank proposes these ceilings, the department uses its Reuter device, which is prepared for this purpose, in addition to the International Banks Manual and the other periodicals that evaluate and classify banks and institutions as their order such that it specifies their level, potential and profitability of each. The department also makes use of other sources that are well-known for the credibility of their news about these banks and institutions, such as the Financial Times, the British Banks Magazine and the other periodicals.

Furthermore, the department prepares investment memoranda and presents them to the Bank's Investment Committee for endorsement or for submission to the Board of Directors if so required. It also prepares regular statistics reflecting the total investments of the Bank with the details thereof, creates registers of discount and additions and does all other accounting work for investments.

6) Foreign Relations Work

The investment department performs the task of linking the Bank with the other foreign Islamic banks and financial institutions. It receives delegates of foreign or national entities in some situations who visit the Bank to be acquainted with its business, to strengthen the relations or to hold consultations on some projects or business that could lead to cooperation. Messages, faxes and telexes are exchanged so set up visits,

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their dates, and the expected visitors to the bank. The department sets the times and dates of visits at appropriate times according to the previously agreed-upon visits schedule.

[7]) Legal Aspects

In conducting its business related to investments and foreign relations, the department focuses, first and foremost, on the legality of all such business. For the purpose of protecting the Bank's funds, the department confirms the validity of contracts that it makes with other banks or institutions when dealing with them in the field of investment. This applies to contracts proposed by these banks or institutions as well as the contracts drawn up by the Bank. In this case, the investment department depends on the Legal Department to investigate the necessary legality in the contracts and documents connected with them. The investment department also explains the above procedures to the delegations, banks and financial institutions during negotiations about investments and their procedures. The department keeps the important, original documents pertaining to investments, such as the contracts, investment certificates, and guarantees, after reviewing them to confirm their legal validity.

[8]) Sharia Aspects

In coordination with the Sharia Supervisory Department in the bank, the investment department prepares investment transactions in a manner consistent with Sharia. In case of commercial transactions of international commodities, the department reviews the offers submitted by the correspondent bank agents to confirm the expected sales operations to be conducted in return for payment of the amount desired for investment. When the operation is completed, the department receives documents showing that there was an operation of buying and selling on behalf of the Bank for a commodity agreed upon in the correspondent agent's offer.

In case of lease contracts, the department checks the offer to confirm that the procedures reflect the Bank's acquisition of the equipment or objects desired to be leased, because the Bank cannot lease objects prior to acquiring it.

The department applies the same rule to international trade financing in general and to the Speculation and Partnerships. It confirms that the commodities under investment are legally permissible. As regards, the Speculation and Partnerships, the department checks the contracts and its documents to confirm that the Speculator or Partner who does the investment accurately applies the rules of Sharia Principles when finishing this operation.

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Follow-up and Collection Department

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Follow-up and Collection Department

Duties of the Follow-up and Collection Department

The follow-up and collection department is concerned with collecting the checks returned by customers, and performs its duties through the following steps:

- 1- Receiving the checks that are returned by and transferred from the Trade, Financing, and Letters of Credit Department at Headquarters for Local and Foreign Commercial transactions (Cars, Goods, Real Estates) and manufacturing finance transactions.
- 2- Registering the checks in the daily ledger, provided that the FCD accountant credits them to the preceding balance.
- 3- Department accountant distributes the returned checks to the department officials, as per the work distribution system.
- 4- The official signs in acknowledgement of receipt of the returned checks. Thereafter, the customers contacted to settle these checks, using one of the well-known means of communication. He enquires about the reason for returning the check and his failure to pay it. The employee then delivers a message to the customer claiming payment of the value of the returned check as soon as possible.

How to Demand the Customer pay

A. Amicable Claims

- 1- By phone.
- 2- By fax.
- 3- By registered mail.
- 4- By amicable written warnings.
- 5- By listing the customer who does not pay on the Black List.
- 6- By holding field visits and personal meetings.
- 7- By exerting pressures through phone calls made by police officers.

B. Judicial Claims

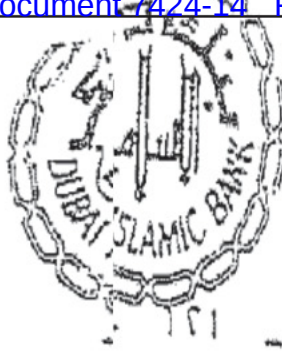
- 1- By serving written notices through a notary.
- 2- By filing a temporary official notification against the check signatory.

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- 3- By transforming the temporary report to a criminal report by the police after granting the person complained against a grace period for payment or settlement.
- 4- By obtaining a Court judgment impounding the car after payment of the legally prescribed charges, and following up the impounding with the police officers. [Illegible handwritten note:signed....]
- 5- By listing the names of wanted persons, non-payers, and those with criminal histories on the black list in order to warn others from having any transactions with them. Such action is taken through letters received from the branches, the circulars issued by the Central Bank, or persons wanted by banks through following and the daily newspapers section (Al Etehad, Al Bayan, Al Khaleej) by computer.
- 6- By reviewing it with the Senior Management for the purpose of undertaking the appropriate procedures regarding certain cases of customers.
- 7- By referring the applications of customers who have stopped paying to the Management to make an appropriate decision on recommendations made by the department, considering the reason for non-payment or stopping payment.
- 8- By submitting monthly reports to the Management regarding the amounts collected.
- 9- By investigating the workplace and residence of the non-paying customer as well as the place where the car is, to assist the police officers capturing the person complained against or impound the car.
- 10- Documents Required to File Reports on Returned Checks:
 - 1- An application to be submitted for filing a report against the checks signatory. The application should contain the number of the checks and the names of the complainant and the complaine.
 - 2- A copy of the authorization granted to the employee by the complaining bank.
 - 3- The original returned checks.
 - 4- The original copy of the check-return notice, describing the reason for returning the check.
 - 5- A statement detailing the address of the customer, accompanied by a copy of his passport or any other document proving his identity.
- 11- Please find below some forms of notices, reports and impoundings that are used according to the knowledge of the Department:
[Illegible handwritten note: ... transferring the file... notifications]

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Dubai Islamic Bank
Public Shareholding Company
(Incorporated in U.A.E)



(Incorporated in U.A.E)

Date: 04/25/94

A09B004*

Notice to the Customer

Mr.: marked out]

Address: [marked out]

May God's Peace, Mercy and Blessings be upon you

Kindly be informed that the installments listed below have already been due and you have not paid them in their specified times. Please take the initiative to pay the obligations you owe to the Bank within one week from the above date in order to continue the good relationships between us.

(Commercial transaction) Account No : [marked out]
Car Type : Cars
Total Value of Car : 86340.00
Amounts Paid to date : 75300.00
Balance due : 11040.00

Overdue Installments

<u>Serial</u>	<u>Installment Number</u>	<u>Installment Due Date</u>	<u>Check Number</u>	<u>Amount</u>
1	31	04/02/1994	1137933	1840.00

Total Number of Installments: 1

Total Value of overdue Installments: 1840.00

Thanks for your cooperation.

Follow-up & Collection Department

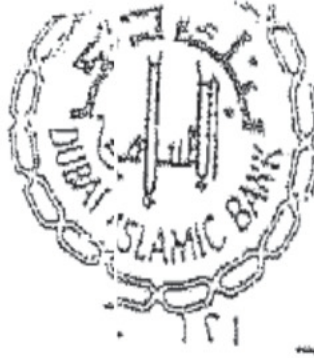
[Illegible; they appear to be addresses, telex numbers, codes (SWIFT?) and faxes for branches of the Dubai Islamic Bank]

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DIB_002551t

Public Shareholding Company
[Incorporated] in U.A.E



Public Shareholding Company
(Incorporated in U.A.E)

-122-

Date: 05/24/94

A09B012*

Notice to Guarantor

Mr.: [marked out]
Address: [marked out]

May God's Peace, Mercy and Blessings be upon you

Subject: Your guarantee for Mr. [marked out], in an amount of 103523.00 in return for Commercial transaction /cars, Commercial transaction Number 01 130 [marked out]

We wish to inform you that the abovementioned person you guaranteed, has failed to pay the installments due set forth in this notice.

In your capacity as guarantor in this operation, you are kindly requested to contact him or settle the said installments on his/her behalf. It is our wish that future monthly installments be regularly paid on the scheduled dates thereof.

Delayed Installments

<u>Serial</u>	<u>Installment Number</u>	<u>Installment Due Date</u>	<u>Check Number</u>	<u>Amount</u>
1	24	05/06/1994	958874	1810.00

Total Number of Installments: 1

Total Value of overdue Installments: 1810.00

Thanks for your cooperation.

Follow-Up & Collection Department

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Date: 05/24/1994



YOUR REF:
OUR REF:

Deduction Notice against guarantor

Messrs. / [marked out]

Please note that the following activity has been recorded on your account:

Details:

Account Number : 01/520/[marked out]/01

Amount : Dirham

Date of Activity:

Installment Number : [illegible stamp]

Due on :

Commercial transaction Number :

In the Name of..... :

May God's Peace, Mercy and Blessings be upon you

Dubai Islamic Bank
Follow-up & Collection Department

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(Dubai Islamic Bank logo)
(124)

United Arab Emirates

DUBAI ISLAMIC BANK

Date:

Your Ref:

Our Ref:

Mr. Honored Manager of Surveillance Police Station

May God's Peace, Mercy and Blessings be upon you

We inform you that on __/__/199_, there came to the Main Branch of Dubai Islamic Bank

Name (or goes by):

Nationality:

Living at:

Phone:

Work:

He did _____ by monthly installments and the remainder is (_____) Dirhams for which he wrote a number of checks drawn at Bank

When these checks were presented to the Bank on which they are drawn at, they returned the quantity of /____/ checks, with a total value of (_____) Dirhams due to lack of adequate balance to cover them. When contacting him, he declined to pay.

So, we ask you, sir, to proceed with your legal procedures against him and that he be accused of the crime him of the crime of intentionally passing a check for which there were no funds.

With our greatest respect,

Head of the Follow-up and Collection Department

[Illegible; they appear to be addresses, telex numbers, codes (SWIFT?) and faxes for branches of the Dubai Islamic Bank]

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(125)

Mr. Honored Manager of Surveillance Police Station

May God's Peace, Mercy and Blessings be upon you

Warm Greetings,

Subject: Renunciation of Notice Number

We inform that Mr. / Nationality has...

So, we would like to kindly consider us as having renounced from our side our personal right to the claim submitted by us toward the above-mentioned person.

We thank you for your sincere cooperation with us,

With our greatest respect,

Head of the Follow-up and Collection Department

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(130)

06/1994

Notice of Payment of a Check Value

[Mr.] Honored _____,

May God's [Peace], Mercy and Blessings be upon you

Warm [Greetings],

You have been notified more than once to pay the value of returned check on the date _____ check Number _____ in the amount of _____/ Dirhams, drawn on [Bank]____. So far, you have not paid the value of the above-mentioned check. Accordingly, we serve you a final notice that unless [you] pay the above-mentioned amount within _____ of this date, we would unfortunately be forced to take the legal procedures to protect the [rights] of the Bank. We greatly hope and trust that you will pay the amount required within the specified period, which would save you the [troubles] that would result from prosecution and the legal procedures related to this matter.

With our greatest respect,

Head of the Follow-Up and Collection Department

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(131)

1994

[Mr.] Honored _____,

May God's Peace, Mercy and Blessings be upon you
[Warmest Greetings],

You [were] notified more than once to pay the indebtedness of the transaction
Number _____, in the amount of _____/ as it is still outstanding against your above-
mentioned account.

[Accordingly], we serve you a final notice that unless the abovementioned amount is
paid within _____ days of this date, we would unfortunately be forced to [take] legal
procedures to protect the rights of the Bank. We greatly hope and trust that you will
pay the amount required within the specified period, [which would] save you troubles
that would result from prosecution and legal procedures related to this matter.

With our greatest respect,

Head of the Follow-up and Collection Department

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1994

Final Warning

[Mr.] Honored_____

May God's Peace, Mercy and Blessings be upon you

Warmest [Greetings],

You [have been] notified more than once to pay the overdue amount of the transaction Number _____, in the amount of _____/ as it is still outstanding against your above-mentioned account. [this?] has caused us present this final notice to you. Unless you pay the amount due within _____ of this date _____, we will unfortunately be forced to take legal procedures against you to protect the rights of the Bank. We greatly hope and trust that you will pay the amount required within the period specified above. This would save you troubles that would result from prosecution and the legal procedures related to this matter.

Thank you very much,

Chief of the Follow-up and Collection Department

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6/1/1994

Judicial Warning

Warner: Dubai Islamic Bank

By the Agency of/

Warnee:

May God's Peace, Mercy and Blessings be upon you

Warmest Greetings,

You have been notified many times for paying the indebtedness of transaction Number _____, in the amount of _____/ Dirhams (only) as it is still outstanding against your above-mentioned account. This has forced us to present you this final warning. Unless the amount due is paid within seven days from this date, we unfortunately be forced to take legal procedures against you to protect the rights of the bank, including prosecuting you criminally and legally.

We greatly hope and trust that you will pay the amount required within the period specified above, and this would save you troubles that may result from prosecution and legal procedures related to this matter.

Thank you very much,

Chief of the Follow-up and Collection Department

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DIB_002559t



(134)

United Arab Emirates

DUBAI ISLAMIC BANK

Your Ref:

Our Ref:

Date:

At the Court of _____

Request to Cancel Precautionary Seizure

We would like you to cancel the precautionary seizure Number _____
of the Car Number _____ belonging to the defendant /
_____ as that person has made a settlement with the petitioner.

With our greatest respect and appreciation,

Plaintiff:

Dubai Islamic Bank

Decision:

Decision regarding the response of the request to cancel the seizure of the above-mentioned car

Judge,

Date:

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Legal Affairs Department

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DIB_002561t

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The counsel should be based on legal principles arising from current laws and firmly-established banking commercial customs recorded by judicial verdicts and banking practice. We would deal with these principles in their places in the memo.

2. The department also prepares and reviews various types of contracts, according to the foundational system of the Bank, the Sharia and legal precepts, and suggestions of necessary amendments to them. These contracts include manufacturing finance and the rest of the contracts derived from it, which are contracting and supervision, in addition to the other Islamic forms of finance, such as all types of partnership and rent. All of these require familiarity with and constant follow-up of developments in the laws, court decisions, and regulations issued by the specialized governmental agencies.

3. Among the most significant of the basic work of the Legal Affairs Department is making, registering and executing contracts and material credit guarantees (Real Estate Mortgage).

The mortgage contract is important for any bank. It is true that the law made it the first and the strongest guarantee of credit facilities. Even more so, the general memoranda of the Central Bank dealing with credit facilities requires that granting credit exceeding certain amounts must be based on a real estate guarantee. Also, real estate that is the subject of the contract must be commercial and able to be confiscated and executed. In other words, it must not be outside the realm of funds that can be confiscated and sold, such as residential property of a citizen, or a property owned by a grant or gift (except if it is allowed to be disposed of by selling through specialized agencies).

The Unified Civil Transactions Law Number 5 of 1985 book 4 (material insurance) is divided into two chapters; the First Chapter is concerned with insurance mortgage (this applies to real estate) and the Second with possessory liens, and this is on movable property and real estate. It is notable that the Central Bank general memo has focused on insurance mortgage and made it the basis, but it did not deal with possessory lien and the other personal credit guarantees.

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So, the brothers in the Credit Department should consider this matter when checking the real estate guarantee documents before recommending accepting the request to grant credit facilities of various types. It should be noted that His Highness, the Ruler of Dubai, has issued new instructions in which he strictly prohibited dealing with lands granted by His Highness.

C. Emirate of Sharjah. It is the same for the granted lands. They may not be mortgaged or disposed at all unless they become a property under conditions of local law in Sharjah. This law states that properties are a guarantee for debt, Domestic Law Number 11 of 1973. The most important features of this law – the things that distinguish it from other local laws - are that it grants the Real Estate Department the authority to directly sell mortgaged property in accordance with Article 33, before resorting to courts. The Department requests that the property be confiscated and sold by public auction while attaching the insurance certificate and the ownership deed, and other documents proving non-payment.

The distinguishing feature of this procedure is that the law left the burden of resorting to courts to the debtor; if the debtor objects that he paid the debt and does not present an official document proving that, he has to resort to the court to prove the payment and the cancellation of the mortgage by a judicial order. In this case, the court stops the selling procedures temporarily until the case is decided.

D. The other Emirates: This is not much different from the case in the Emirate of Dubai. In each situation in those Emirates, people must consult the relevant real estate department before accepting the guarantee documents.

4. Before the issuance of the Law Regulating the Lawyer Profession, the bank's lawyer (the Legal Department) could plead before courts and proceed with all the cases raised by the bank, in addition to the cases raised against the Bank.

The aforementioned Law about lawyers stated in one of its articles that part-time lawyers may not plead before courts. Only lawyers who are

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registered in the list of those working in this profession and who are licensed to practice it in the context of fundamentals set forth in the law.

Thus, we face several issues regarding Bank cases, mostly indebtedness resulting from various Bank transactions.

The first situation:

An external lawyer has been appointed to initiate the Bank cases and bring them before the courts under the full supervision of the Legal Affairs Division. The entire case file is also prepared, including documents and papers that support the case. In addition to exchange of advice and presenting the department's opinion about the case filed and how it is pursued. [crossed out: this ...new cases]

The second situation:

It is the result of cases filed by the Legal Division years ago, up until the issuance of the Law of Legal Profession in 1991, [illegible crossed out], in which decisions were issued to the Bank's advantage. These files are dealt with carefully and with accurate follow-up by studying the files based on the feasibility of taking legal action. This means ways of applying pressure to force the debtor to make payment.

All this should be on a case by case basis, as the debtor is either a [illegible crossed out word] [handwritten: government] employee [illegible handwritten words], where the court will respond to the request of Bank by seizing his salary and transferring part of it to the court for repayment of the debt, or seize his end of service entitlements. If the customer is a merchant who is trying to stall, then a request is submitted to the Court to address the agencies specialized in property, like the Real Estate Department or banks, to seize his property. If there is a mortgage, then the mortgage is executed in order to satisfy the Bank's rights. In limited circumstances, we may resort to request imprisonment of the debtor through the court as a means of pressure, forcing him to pay his debt. If we feel that these legal procedures are not beneficial, for instance in the case of the fleeing of the customer, or if the amount of the claim is minimal, or if there is no known address, which makes it difficult to execute these procedures, then the matter is directed to the management of the Bank.

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The third situation:

For the lease issues, due to the Bank's policy regarding real estate investment, focusing on this type of investment [crossed out: for the ... aspects] and the weakest area of risk in it, the Bank has recently begun requiring that the customer's real estate management is assigned to the Bank as a kind of guarantee necessary to protect the Bank's funds. Due to this steady increase, the lessees' problems have increased, which has been manifested in late payments on leases.

The role of the Legal Department is represented in the receipt of the files that are [several handwritten notes suggesting grammatical alternatives that do not change meaning] submitted to it from the Real Estate Services Department, in addition to from some branches. Necessary documents are prepared for filing cases, fees are paid, hearings before Lease Committees are attended, and follow-up of each case until the verdict is reached. Then, these decisions are implemented before the courts after payment of the prescribed fees.

It is worth mentioning that the Lease Committees has a judicial nature and its decisions are final.

All Emirates policy tended to issue decrees to form lease committees like the Dubai Lease Committee, since it was established earlier in this area due to the large number of conflicts between owners and lessees.

It should be noted here that as far as the means are available, the legal department covers all lease cases in the UAE: attending, implementing, evictions and public auction sales of items seized in apartments. This is not limited to the official working hours, but it is necessary to attend evening court hearings, especially the Dubai Lease Committee.

As for the criminal notices for returned checks, the Legal Affairs Department is still preparing the checks, registering them, and following up on them with the police and prosecutors until they are referred to the court. If the department does not reach an

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amicable resolution to the notice, the file is referred to the external attorney to continue the claim before the court in order to collect what the Bank is rightfully due.

In this regard, it is worth mentioning that in most notices, the police could not arrest the debtor or prosecute him due to the lack of a known, obvious address. Therefore, please, brothers, upon accepting commercial transaction applications or various (other) transactions, make sure you get customers' and guarantors' addresses in detail. Do not be satisfied with only a post office box, telephone or employer's address, especially in transactions which are not guaranteed with a material real estate guarantee. Otherwise, in this case, the employee will be legally responsible for guaranteeing the physical damage caused by this negligence and lack of caution, which jeopardizes the Bank's rights and depositors.

Overall, the Legal Department in any bank should be regarded as the safety valve for work of the bank in all its aspects, where the lack of control over the application of laws, regulations and Bank systems derived from its foundational system will lead to financial and moral disasters to banks in general.

So, we take this opportunity to call for and seek support for the Legal Affairs Department from all human and material aspects, so it can do its duties efficiently. The goal is to eventually raise the level of work and make it a role model for all Islamic banks.

Part II: Some procedural and legal principles that must be taken into account upon delivering advice and counsel

First: The authority of the person to conclude a transaction and sign the necessary documents for it:

The customer who makes transactions with the Bank may be an individual making the transaction in his own name, a company, which makes its transaction through its director, or through an agent of the owner, if the institution is individually owned. In [handwritten: all] cases,

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They should have the legal qualifications to take public actions. In this memo, we will deal with the situation of each case briefly and in a way that clarifies the practical aspect without going into the legal definitions and doctrinal controversy, because the point here is that the non-legal Bank staff brothers in the other departments should be able to absorb these rules and apply them directly to their transactions.

Authority of a person to sign in terms of delegation and legal age:

If a person who wants to sign the application, contract or any document related to [word crossed out] the transaction is present in person, there is no difficulty. All that is needed is to take adequate measures to prove the person's identity, then confirm that he reached the legal age necessary to take legal actions and at he has met the terms of the law. Here, we have to clarify two points:

Proving identity:

Generally, proving identity can be done through checking any official document issued by a relevant government entity, like a driving license, passport or a business card. But in banking transactions, and in particular upon making a contract for a current or investment account, the Central Bank general memo requires seeing the original passport of the customer and making a copy of it (by the Bank employee) to ensure that it is an exact copy. The purpose is to confirm his identity and the legal age of the customer.

Legal age:

The general rule which is [grammar suggestion handwritten] stipulated in Article 157 of the Civil Transactions Law is that every person is eligible to contract unless this eligibility is cancelled or limited by law. This eligibility is nullified by dementia, madness or judicial custody and is not enjoyed by the non-adults except in narrow limits as shown below.

The adult person is the person who is rational to conclude actions and the age of majority in the United Arab Emirates is (21) twenty one years old.

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The minor who has not reached the legal age may not [crossed out: sign] conclude all actions unless he is authorized in accordance with the terms of the law (Article 161 Transactions).

The minor who has not reached the age of eighteen years:

The person who has not reached the age of eighteen years may not conclude contracts or applications, whether they are related to bank accounts, selling and buying contracts (commercial transactions), guarantees, or otherwise. If there is a need for making a transaction in his name and for his account, his Sharia guardian (his father), his actual

grandfather, or the guardian appointed by the Sharia Court may make it on his behalf in accordance to the law, if the Sharia guardian is dead. Guardianship is only for the father or the actual grandfather. As for the trusteeship, the court confirms the one who deserves besides them (like the mother, etc.).

The minor who has reached the age of eighteen years:

The minor who has reached the age of eighteen years and has not reached the age of twenty one may not make commercial contracts (including Bank transactions) unless the judge authorized him to do so, i.e. unless he brought a court order in this regard (issued by a specialized Sharia Court). In other cases, he is not permissible to commercial transaction contracts, guarantees, and other documents.

Administrative exception:

The general memo recently issued by the Central Bank excluded one case from the above-mentioned restrictions, which is the opening of a current account. The Central Bank allowed the minor who reached the age of eighteen to open a current account and have a checkbook. In our view, this situation is strange as the administrative decisions do not affect or amend the law or legislation. So, it would have been better for the Central Bank to request the relevant legislative authorities to amend the law and to introduce that exception into the law itself or reduce the legal age to eighteen so the law would conform to reality, which is that there are civilians and military personnel in the country who join the service before the age of twenty one. As we know, there is a large group

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of nationals who are working in Armed Forces and other government agencies and receive various salaries and wages, and necessarily are granted driver's licenses. This entails purchasing cars to use in their work and their own affairs. So, does it make sense that such a person is deprived from being able to owning a car because he has not reached the age of majority (21) as set forth in the law? In our opinion, the solution lies in the text of Article (16) of the Civil Transactions Law. This Article allowed the guardian to authorize the minor, who reached the age of eighteen Hijri years to receive all or some of his funds to manage.

In light of this, we can allow him to conclude the commercial transaction related to cars only after receiving a written authorization from the legal guardian or after his signing the contract with him (as permission only). In this case, the direct buyer in the contract could be the minor.

This permission may not be given by the guardian appointed by the court, as the right to grant the permission is only given to the legitimate Sharia guardian (father or grandfather) or guardian's agent.

General remark in this regard:

In all cases, the minor (who has not reached the age of 21 years) may not sign contracts or do transactions on behalf of third parties, whether he has permission or not.

Signing contracts and documents on behalf of third parties:

A-For individuals:

In light of the above, every adult has the right to conduct transactions on behalf of third parties. In case of minors, the guardian or legal trustee appointed by the Sharia Court only may conduct transactions on his behalf.

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It should be noted that the Agency should generally and explicitly include every action to be made, especially actions related to ownership, such as selling, mortgage, providing funds as material or personal guarantee. In all this, it is not permissible to use the general expressions.

B- For companies and institutions

(1) If the institution is individually owned, the agent may conduct transactions under a general power of attorney, which is drafted by the merchant or a third party. It includes dealing with all his possessions, whether material or otherwise. It is not necessary to mention the institution by name, as it is specifically considered property being dealt with under the power of attorney. If the power of attorney is made specifically for the institution, this is better.

(2) For companies, we must distinguish between different types of companies:

1- Limited Liability Company:

The limited liability company acquires legal personhood like a natural person upon completion of its registration under the Law of Companies, and its director is appointed under the Contract of Incorporation or under a separate contract authorized by the Economic Department or the relevant agency in accordance with the Law of Companies.

This Director has the authority to make contracts and transactions, and sign their documents without the need for special power of attorney from the partners (shareholders). Asking for a power of attorney in this case is contrary to the Law of Companies.

The only thing required is to carefully and precisely examine the Contract of Incorporation and List of Directors attached thereto to confirm that the signatory is authorized under the Federal Companies Law. It must be noted that the actions of the director authorized as mentioned above cannot be directly challenged by partners, nor may he be stopped except by a court order or a decision of the General Assembly, or the Board of Directors if the Director is appointed by them.

2- Joint Liability Company:

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In this case, there should be an authorization signed by all partners. If the authorized director is a partner, he should obtain an authorization signed by his partner unless the company's legally certified Contract of Incorporation allows any of the partners to act individually.

3- Simple Limited Partnership Company:

In this type of company, the right to sign Bank transactions is only for the national partner or his legally certified authorized agent, and the national partner may not authorize the limited partner.

4- Business Company (professional companies):

Examples of these companies are Companies of Physicians or Craftsmen, etc. They do not include Contracting Companies. In this case, each partner may authorize another partner and the partner may sign if the contract gives him the right to sign individually. We reiterate that in all these types of companies, all documents must be examined well, for example:

- Contract of Incorporation
- List of Directors in case of the Limited Liability Company
- Commercial license
- Powers of Attorney in situations that require them
- Passport to prove the identity of the agent

Second, laws and references that are reviewed upon giving legal advice

- **With respect to civil contracts:**

For (Manufacturing Finance, contracting, partnerships and the legal capacity of persons), the Civil Transactions Law of the year 1985 as well as judicial decisions interpreting them, whether issued by the Federal Supreme Court or the Court of Cassation are reviewed.

- **With respect to Commercial contracts:**

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Like the sale of goods and cars (commercial transactions), whether in international or local commercial transactions, and with regard to the legal opinion of current and investment accounts and all the usual banking work. The legal advisers in the department must review the Federal Commercial Transactions Law Number 18 of the year 1993 as well as the judicial decisions and jurisprudence books that explain the legal provisions and principles similar to those stated in this law.

I reiterate the need to refer to each of these references, laws and files of the above-mentioned consultant before giving a legal opinion, in order to avoid conflict and contradiction of views that may lead to unavoidable damage. We note that it is not permissible to interpret the text of Commercial Transactions Law apart from other laws, especially the Civil Transactions Law. The interpretation must be in accordance with what jurisprudence and the judiciary have affirmed. It is also worth mentioning here that some brothers in the various divisions used to refer to the legal provisions directly and conduct transactions or express an opinion in accordance with the literal interpretation of the meanings of the legal provisions they looked at. The specialized meaning of these things should be looked at from a different perspective that gives different legal meanings, in order to avoid any irremediable damage.

Finally, we refer to the importance of the Commercial Transactions Law, and especially bank transactions, which will be attached to this separate memo later.

Part III: Bank credit guarantees and the need to be tested legally

As we mentioned, what comes to the mind of the banker who is careful about the funds of his bank is: What is it that guarantees that the banking facilities or credits granted will be paid upon their maturity?

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To answer this, we must resort to various credit controls, which are divided into two parts or two stages:

First stage:

Studying the customer himself in terms of solvency and business reputation as well as ensuring that he is judicially clear, in addition to studying the economic feasibility of the project. This study of customer's solvency is a requirement mandated by Central Bank general memo Number 16/93 dated 10/14/1993, and violating it could lead to imposing administrative sanctions on the Bank under the Banking Control Law. If the customer passes this stage, we will move to the second stage.

Second stage:

Considering the appropriate legal guarantees that should be provided by the customer and by which we guarantee payment of the amounts granted in any form of financing to the Bank. These guarantees are divided into two sections:

A-Personal guarantees:

- 1- Solvent personal sponsor (who submits a personal or material real estate guarantee)
- 2- Bank guarantee
- 3- Money transfer – waiving his right with third parties

B-Material guarantees:

- 1- Real estate mortgage
- 2- Mortgage of business premises
- 3- Mortgage of financial or commercial papers or investment certificates

We will deal with the matters to be taken into account when accepting any kind of these guarantees. Before delving into such matters, it should be noted that under the Central Bank Law – Section on Supervision of banks and General Memo Number 16/93, the Bank obligated to develop a public credit policy, taking into account the risks of the various banking facilities.

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providing that the policy includes accurate and specific criteria to deeply analyze every individual customer.

We noticed that there are some transactions in which these credit controls have not been accurately taken into account. So, urge you to refer to the Legal Affairs Department before finally recommending accepting the guarantees to make sure they match the law and the controls of the Central Bank. This is to avoid accepting imaginary (paper) guarantees. After this note, we should make some legal notes about these guarantees.

- Personal Guarantees:

Weak guarantees, which used to be accepted to grant credit facilities, have caused violent economic shocks to many banks, leading to bankruptcy and liquidation.. The experience of the Bank of Credit and Commerce International is recent. Most of its guarantees were imaginary, personal guarantees. Even its transactions were imaginary. Many personal guarantees violated the banking credit controls, in the form of recommendation or vouching from a powerful person, which led to the emergence of a range or class of people who got money from banks whose plan was to get rich quick through confusion and unstudied projects without sufficient experience.

So, we in the Dubai Islamic Bank, so that our unique Islamic experience is not exposed to risks, must avoid the prohibitions in which commercial banks have fallen. These are naturally prohibited by our Islamic system, which has the guarantees of its existence within it, provided that the many Sharia controls included in that system are taken into account.

What we have mentioned above leads to call for the need to reduce relying on private guarantees for credit facilities for large amounts. If it is

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necessary to accept private guarantees, a maximum credit must be strictly followed by a maximum credit, based on the nature of the guarantees submitted, and noting the following:

- In case of transferring the rights of the applicant for facilities for another to the bank:

The fulfillment of the legal conditions must be taken into account, the most important of which is the signature of all parties of the transfer, and their sufficient knowledge of it. The transfer contract must include the assignor, the assignee, and the drawee. Otherwise, the transfer loses its legal power.

An example of the transfer cases is when a manufacturing financier transfers his right to rent to the Bank. Another form is transferring the right of insurance or investment certificates, etc.

- Personal Bond:

It is the most common of guarantees among banks. The following should be noted when issuing it:

1. The texts of the bond should be accurate and specify the amount, specifically excluding ignorance. The text of the bond should deal with cases of death, bankruptcy, changing the form of the company. In other words, it should state that the bond continues to exist in case of the death of the original debtor, liquidation of the company, or changing its form. If this is not stated, the bond expires once any of these cases happens.
2. The format of the bond should be general and expanded to give all possible choices that would reduce the chance of the guarantor's objection when implementing the bond upon him.
3. Entering all the debtor's accounts in the bond and making all the funds of the guarantor a guarantee of it.
4. The bond should be worded in such a way that it is valid until the balance of the debtor is completely paid.

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5. It should be stated that the bond has joint liability. But for bonds of letters of guarantee, the conditions of the commercial transactions law and the general principles of banking customs should be taken into account.

6. Material guarantee:

The most significant kind of material guarantee is the real estate mortgage. This is what we dealt with from a procedural aspect in the main part of this memo. Regarding the subjective conditions, before giving any legal opinion, we must refer to the mortgage rules in the civil transactions law and local laws in this regard. It should be noted that the financing contract itself, whether it is manufacturing finance, commercial transaction or partnership, should clearly state the mortgage and the right of the Bank in executing the mortgage in case of failure in any of the payment conditions, providing that it discharges the rest of the debt and it becomes payable all at once. If this text is missing, the mortgage cannot be executed until after the registered expiration of the mortgage period recorded on the real estate land record.

- Mortgage on a Commercial Shop or Factory:

It is not legally advisable to resort to this type of mortgage alone without requesting other powerful guarantees, because the legal status of this type of mortgage is unstable and unclear in various Emirates of the country. There is no specific system for registering this type of mortgages and no legal guarantees for executing them. Mortgaging goods and machinery is not feasible unless only by taking possession. In this regard, it is worth mentioning that the new commercial law created the public warehouse system [grammatical suggestion with no change of meaning -handwritten] (commercial storage) which allows storing goods in the warehouses established according to law and authorized for this purpose. It allowed obtaining storage certificates that can be dealt with as this certificate legally represents the cargo. We think that in this case only, these storage certificates can be mortgaged for the benefit of the Bank or to waived and enclosed for the Bank as a guarantee of the credit facility granted.

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Machinery mortgage is not legally feasible unless we mortgage the company or the institution itself with a general mortgage. We have now started to try to convince the authorities of the Commercial Department to approve licensing the mortgage on the register of the companies as a kind of guarantee. But it should be noted that this guarantee does not replace the need to have other additional powerful guarantees. What has been mentioned above in passing about credit guarantees does not replace the need for studying the guarantees extensively and referring to books of jurisprudence in this regard when giving a legal opinion on them.

General Memos of the Central Bank:

Finally, we would like to mention the amended version of Circular Number 16/93, dated 16/7/1994 which did not include a noticeable amendment on the matter. It brought restrictions on the exceptional responsibilities of credit facilities and mentioned detailed instructions on the evaluation of solvency and the necessity of control and documentation. We advise applying them accurately to avoid falling into irremediable violations.

Finally, please do not consider this memo as a final reference on the matter without referring back to the main references of legal texts and the books of foundations of jurisprudence and law in any principle that has been referred to.

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Industrial Projects Department

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Industrial Projects Division

Description of Tasks and Duties

1. Supervising all projects in whose capital the Bank contributes and following up on the development of these projects to guarantee the rights of the Bank to achieve the desired goals of this contribution.
2. Preparing economic feasibility studies or reviewing the studies presented by external parties to establish new projects.
3. Conducting the tasks and procedures necessary for establishing the projects approved by the Bank, in cooperation with other related divisions. That includes communicating with governmental agencies specialized in licensing, consulting agencies, or manufacturers, etc.
4. Participating in the administrative committees or on Boards of Directors of companies the Bank contributes to, according to what is agreed upon and what ensures representing the Bank at a level appropriate to its level of contribution to the project.
5. Making field visits to the projects to make sure of their proper functioning in all administrative, production and financial areas, etc. In addition, visiting similar establishments or manufacturer of the machines to keep abreast of the latest developments in the fields to which the Bank contributes.
6. Keeping organized files of all the projects to which the Bank contributes and supervising the correspondences related to these projects.
7. Submitting periodical reports to the Bank management on the progress of the work, profitability of the project, contribution rate, technical status of the project, market conditions and other necessary information for keeping on top of the extent of success of the investment.
8. Performing any other related works as assigned by the Bank management.

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Internal Audit Department

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Internal Audit Department

Work Duties in the Internal Audit Department:

The Internal Audit Department reviews all of the Bank Departments. Each department has a different way of review. Due to that, an audit program and worksheets have been prepared for each task in each department. To explain that, we include below a sample of the tasks, and consequently of the audit programs and worksheets required when reviewing the Current Accounts Department only:

Jobs of the Internal Audit Department include the following, when reviewing the accounts and jobs of the Current Accounts Division:

1. Reviewing applications to open current, saving and investment accounts.
2. Reviewing applications to close current, saving and investment accounts.
3. Reviewing standing and special orders.
4. Reviewing certified checks.
5. Reviewing transfer applications.
6. Reviewing special dispatches for clearing.
7. Reviewing existing and cancelled delegation.
8. Reviewing stopped checks.
9. Reviewing manager's checks.
10. Reviewing inactive accounts.
11. Reviewing current accounts with negative balance.
12. Reviewing deposits and withdrawals of the customers and transferring them to the computer.
13. Reviewing automatically deposited salaries and stoppage thereof.
14. Reviewing saving and investment accounts.
15. Reviewing checkbooks, saving books and ATM cards.
16. Reviewing identification papers, etc. of companies and their renewals.

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17. Reviewing the authorization limits of the cashiers.
18. Cash counting of the secondary and main safe.
19. Reviewing the insurance of the cash.
20. Checking the signatures of the customers.
21. Checking the balances of the sub-ledgers and comparing them to their counterparts in the general ledger.

Basic Work of the Internal Audit Department also includes the following duties:

1. Preparing a review program and worksheet for each of the aforementioned tasks and selecting a sample to make sure of the following:
 - Proper authorization of all regular transactions by those authorized to do so.
 - Existence of supporting documents for each transaction.
 - Executing transactions according to Bank policy followed by its departments in previous years.
 - Correctly applying the instructions of the Central Bank and the instructions issued by the Bank.
 - Correctly registering outgoing transactions on the computer.
2. Preparing reports including the points found during the review and submitting them to Mr. Chairman of the Board of Directors and sending copies of them to members of the Senior Management as soon as the procedures for checking each division are complete. The division also lists any other transactions requiring the opinion of the Sharia Supervision Department or the Legal Affairs Department about them in a separate part of the report of the Checking Department.

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Visa Cards Department

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What are credit cards?

Credit cards are the alternative to carrying money. They have become a requisite of travelling as they give safety of their bearers' money, instead of carrying money that can be lost or stolen. They enable individuals to purchase what they deem best in emergencies for which they had not prepared themselves by carrying enough money to make such purchases. Credit cards also enable their bearer to pay in any currency without needing to carry various currencies. They also enable him to make confirmed hotel reservations, rent cars in one place and deliver them in another place by the guarantee of the card. They are a means of accounting, controlling expenses, and documentation of payment of claims.

There are several types of cards: Visa, MasterCard, American Express, Diners Club, Carte Blanche ...

What is the international Visa Corporation?

It is a corporation that gives interested banks and financial institutions the license to issue Visa Cards or accept them. It also regulates work among member banks all over the world, and gives confidence in dealing among them, within an agreed-upon law and system. The corporation acts as the central bank among member banks regarding settlement of accounts and uses of bearers of Visa cards around the world.

How visa cards are used?

The financial institutions and member banks in the international Visa Corporation are classified into two types: an issuing bank or a trading bank or both. The issuing bank is a bank that has the license to issue visa cards or to authorize shops and companies to accept Visa cards on its behalf in return for a certain commission.

The utilization cycle is summarized as follows (Note document Number 1):

The issuing bank grants a Visa card to one of its customers. The card bearer heads to a shop or a company (that has previously contracted with the trading bank and got permission to accept this type of cards) and purchases items or services from the company. Then the company gets a printed receipt from a terminal linked with the Visa company containing the customer's card number and the amount of money required. The customer then signs this receipt. Afterwards, the company sends the receipt to the trading bank and gets

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the stated amount of money minus the commission of the bank. In turn, the trading bank sends the total usages to the International Visa company so that it would deduct the stated amounts from the relevant banks and deposit them in the accounts of trading banks. Then the Visa corporation sends a daily file to those issuing banks showing the details of usages. Issuing banks then deduct such usages from their customers according to the daily file.

Why did Dubai Islamic Bank choose to use visa card?

Visa card is the most popular, widespread and accepted card in all parts of the world. The number of financial institutions that are members in Visa Corporation is 19000. The number of those carrying visa cards around the world is 464 million. The card can be used in more than 12.50 million commercial organizations including most hotels, restaurants, shopping malls, airlines and other shopping centers around the world. It can be used for cash withdrawal 320,000 bank branches of International Visa corporation member banks. Cash can be withdrawn through approximately 250,000 ATMs connected to the Visa system in more than 89 countries. This is the largest ATM network in the world. (Figures are derived from Visa Corporation's statistics as of September 1995). Accordingly, as the subscription in International Visa Corporation's system is easy to join and flexible regarding the choice of each member of the corporation of the programs, systems and work procedures that are suitable for it. This enables them to provide quality service according to the nature of their customers. The bank thus chose Visa cards issued by Dubai Islamic Bank after consultations with the Bank management and in implementation of their instructions.

The Sharia opinion of credit cards?

The Religious Opinions and Sharia Supervisory Board studied the Basic System of Visa cards and was of the view that issuing such a card would provide a good service to the public and meet the needs of the customers of the Bank. The actions of the card fall within the category of proxy contracts, transfers, and foreign exchange. The board does not see anything that might prevent providing this service to cope with the development of banking services. To confirm the capacity of Islamic Sharia and in protection of the progress and prosperity of the Islamic Bank (see guidebook: general definition – objectives and activities of Dubai Islamic Bank, p.21). As for the issuance of the golden card, Dubai Islamic Bank and other Islamic banks got an exemption from the international Visa Corporation

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of the condition of life insurance which is required for the Visa gold card, and it has been replaced by insurance against damage due to an accident.

Types of visa cards issued by Dubai Islamic Bank and fees of issuance?

1) Normal Visa Card (Classic)

It is used in purchasing goods and services from shops and commercial companies, and it allows cash withdrawal from all member banks –outside the country- either from the banks or ATMs that carry the logo of visa cards, up to the limit granted to the customer.

2) Gold Visa Card

It is used like ordinary cards, but it offers special treatment in hotels, restaurants, and car rental offices. It also offers the privilege of insurance against damage resulting from accidents if purchasing the travel ticket with the Gold Visa Card. It also provides the Emergency card service; the bearer of the gold card may get a replacement of the card in case of loss or theft within 24 hours of submitting request. He can also benefit from the free medical and legal references service provided by all Visa offices around the world.

3) Visa Electronic Card (Electron)

Dubai Islamic Bank intends to start issuing them to its customers during 1996 as the Bank administration approved this. The department is currently preparing the required equipment and programs. It is an international ATM card that used within the Visa network and PLUS network. It enables cash withdrawals, or purchase from Points of Sale found in millions of gas stations, supermarkets, hotels, and commercial shops around the world. The amount is deducted from the current account of the customer in the Bank according to the available account balance.

Table of visa cards issuance fees in Dubai Islamic Bank

As of 03/17/1996

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Normal Visa Card (Classic)

Type of fees	Main card	Additional card
Issuing fees	300	100
Renewal fees	200	100
Replacement fees	100	100

Gold Visa Card

Type of fees	Main card	Additional card
Issuing fees	450	200
Renewal fees	300	200
Replacement fees	100	100

Visa Electronic Card (Electron): fees have not been determined yet.

Note: (a 50% discount of the stated fees is given to Dubai Islamic Bank employees).

Conditions of obtaining visa cards from Dubai Islamic Bank

- 1- The customer has a current account at the Bank
- 2- The customer's salary is transferred to the Bank from a governmental agency, semi-governmental agency, or from an approved major company by a letter pledging the transfer of salary.
- 3- If the customer does not transfer his salary to the Bank, he must freeze a certain sum of money in the custody of the Bank, in a savings account or as a certificate of deposit. The amount of this sum is decided according to the financial limit requested, as a guarantee for the Visa card issued to him. The profits of the savings or investment account shall not be affected by the freeze.
- 4- If conditions (2) or (3) are not met, the request for approval is subject to the Visa committee.

Documents required for issuing the visa card

- 1- Filling out the Visa card issuance application (document number 2).
- 2- Sign that application, which includes the terms and conditions for membership. The signature must be an authorized signature for the current account.

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- Upon approval to issue the card, the fees are deducted from the customer's account, the number of the Visa card is specified, the personal data are recorded after encoding, the financial limit authorization is specified, together with the customer's account number is recorded in a special program for issuing cards, called "CARDMAN." Another employee examines the data, authorizes them, and prints the PIN number of the card, which is chosen by a special program of Visa Corporation that depends on a secret and complicated equation. This number is not on any record in the department. He then prints out the form for receiving the card and prepares the plastic card.
- Issued credit cards are sent to branches together with the card distribution form and PIN numbers in two different bags closed with plastic locks using consecutive (sic) number.
- The personal data, financial limit, etc. are amended and updated daily in the CARDMAN program based on the requests submitted by the customers and approved the administration.
- The international Visa Corporation, as we mentioned before, sends to Dubai Islamic Bank a daily customer usages file for all customers around the world after deducting such utilizations from the account of the Bank in New York. The file sent includes all data and necessary details, including the card number of the customer, name of the shop, date of using the card, approval number issued, reference number of usage receipt, the amount of money in local currency and its equivalent in US dollars (the amount of money is exchanged by the international Visa corporation from the local currency to US dollar according to the rate recorded in the stock exchange on the date of utilization). All this information is sent encrypted through an MEP [MIB?] computer. The specialized employee transfers it into a readable file using a special program called EDIT PACKAGE. Afterwards, such data are recorded in the CARDMAN program that classifies these usages and adds them to the customer's Visa statement. All relevant reports are then printed out.
- An excel sheet is prepared for the total usage amounts, fees and their distribution on Visa accounts; the necessary receipts for deductions and additions in the account actions are then prepared.
- The department employee responsible does follow-up and checking the Visa account in Citibank New York daily, transfers what is necessary to cover the deductions, and balances them.
- If the customer has an inquiry or an objection to any usage, the department sends this inquiry or objection to the sending bank through Visa Corporation using

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- The EDIT PACKAGE program in an encrypted manner.

Procedures differ according to each case and they can be summarized as follows:

- Requesting a copy of the Visa card receipt
- Requesting the documents for using the Visa card
- Objection to unknown sums of money and refunding them
- Objection to a repeated transaction and refunding it
- Objection to goods ordered but not received
- Objection to an incorrect figure in a transaction ... and many other cases

Such objections are governed by the regulations of Visa Corporation that classify procedures into the following phases:

- Request of a copy
- First objection
- Refunding the deduction
- A second objection
- Settlement
- Arbitration

Such phases should be dealt with cautiously as each stage and situation has a certain period of time during which it must be performed.

- At the end of the day, reports related to transactions of the CARDMAN program are printed and audited by the department head or his deputy.
- Visa card file in the general program is updated daily based on the end-of-the-day reports.
- A daily and monthly back up copy is made of all programs and data.
- The end-of-the-day file is copied to the computer connected to the international ONLINE network to update information.
- At the end of each month, operations are completed in CARDMAN program and reports are printed. Utilization statements shall also be printed out and sent to customers.
- After auditing files monthly, expired cards are renewed. They are sent to relevant branches together with a list of names and data of customers. Reminder letters are printed out and sent by mail to customers concerned.

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- Monthly utilizations are deducted from the customer's account in coordination with the IT department.
- A daily report is prepared for customers who exceeded their card limit. Their transactions are audited and action is taken in each case after study and monitoring.
- A monthly report is prepared for customers who shall not repay the amounts withdrawn by visa cards while their current accounts are credited. A proper action is taken according to study and monitoring of each case.

(Action to be taken in the two previous items range from temporary suspension to cancelation of the card)

- The department shall prepare a marketing plan and promotion programs whenever required.
- Promotion material and programs sent by Visa Corporation are distributed to customers.
- The department shall update, and develop visa programs, and computer software utilized in the department whenever required.
- The department employees shall answer inquiries of the customers on a daily basis regarding problems faced while using visa cards.

Reports prepared in visa cards department

- A monthly report to be sent to the branches and the administration showing the names of customers who used visa cards and their current accounts that are still credited up to date.
- A monthly statistical report to be submitted to the administration showing the workload performed by the department during this period.
- A quarterly report to be sent to Visa Corporation showing statistics related to visa cards, utilization, fees during a certain period of time, to be included in the report of the corporation about the region and the world.
- The Department is still developing the required programs to prepare useful reports for the Department and various branches.

Future projects of the international visa corporation

And the Visa Department in Dubai Islamic Bank

- Visa Corporation took a decision on 1/1/1996 for launching a regional office for the Middle East in Dubai. This office shall serve the member banks in the region and facilitate communication, consultation and development for them. Taking such a decision stresses the importance of the region, in

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general, and Dubai, in particular. It also reflects demand on obtaining visa cards and using them in the region.

- International visa corporation urges member banks in the United Arab Emirates to join the “national settlement” project that enables them to settle local utilizations among them without referring to visa corporation as applicable now. This shall save the member banks a lot.
- The administration of Dubai Islamic Bank had taken a decision for issuing ELECTRON card this year.
- It also decided to amend the Bank ATMs to accept the international visa card.
- The administration is currently considering the possibility of fixing the photo of the customer to the visa card in the future.

Finally, it is noteworthy that visa card service is provided to the staff and it is subject to incessant amendments in its procedures and conditions of the international visa corporation, which is reflected on the workload of the Visa Cards Department.

We pray that we have managed to give a clear explanation of the tasks of the Visa Cards Department in Dubai Islamic Bank and may Allah guide us to the right path.

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<p>Terms and conditions of the issuance of Dubai Islamic Bank Visa card</p> <p>1- <u>(Illegible)</u></p> <p>The conditions should be read carefully. Using the card is considered an official approval of such conditions and any amendments introduced to them regarding the issuance and utilization of such a card.</p> <p>2- <u>Definitions</u></p> <p>Whenever the word "member" is mentioned, it means the holder of Dubai Islamic Bank visa card</p> <p>(Illegible)The person who asks the Bank to issue a card or more is the main member. He has to have an account at the Bank. The principal card issued is called the main card.</p> <p>[Illegible] the person who holds a card upon the request of a principal member to use based on the account of the principal member is called the subsidiary member and his card is called a subsidiary card.</p> <p>All amounts deduced from the member's account including the subscription fees and the annual fees of the main card and other cards or any other expenses referred to as expenditures.</p> <p>Service institutions mean any institution that accepts to provide services and goods against a Visa card.</p> <p><u>3-Utilization of the card</u></p> <p>a-The member is the only person who may use the card for purchasing services or goods within the monthly limit approved.</p> <p>b-The main card member is responsible for all expenditures made by using the main card issued for him or that are made by using the subsidiary card. The subsidiary card member is severally and jointly responsible with the main card member for any expenses made by using the subsidiary card.</p> <p>c-The member shall not resell or return any goods or tickets or services he obtained by using the card with the intention of getting their value in cash. However, the member may return the goods or tickets and add their amount to his account, if the service institution accepted so.</p> <p><u>4-Expenditures in Foreign Currency</u></p> <p>Any expenditures made in foreign currency are calculated in UAE dirhams according to the exchange rate against the foreign currency on the date of deduction from the Bank account, to settle payments due by the member in addition to the commission of the service provided by the Bank (1%) on each goods or service purchase operation that is conducted outside UAE.</p> <p><u>5-Payments</u></p> <p>a-The Bank shall deduct monthly all expenses due that are registered on the account of the member, including expenditures of the subsidiary card. The members are responsible for maintaining enough of a balance in his account to cover expenses. The Bank usually sends a monthly statement to the main member.</p> <p>b-The Bank may settle the debts of the member resulting from using the card from any debit funds owned by the member. This includes the expenses that the Bank may suffer due to taking legal action necessary for collecting funds from the member. The Bank shall have priority over any claims by other parties against the member.</p> <p><u>6-Inquiries</u></p> <p>The member shall inform the Bank immediately if he has any inquiries regarding his monthly statement.</p>	<p><u>7-Teller Machines</u></p> <p>The Bank is not responsible for any damages or losses resulting from an emergency malfunction of ATMs of any bank that issues Visa cards, but it shall refund the amounts wrongly [deducted] from the member's account.</p> <p><u>8-Lost cards</u></p> <p>a-If a card is lost or stolen, the member must inform the Bank or the nearest Visa office immediately. He must inform the Bank if he doubts that his card or the subsidiary card has been used in an unauthorized way.</p> <p>b-The member is responsible for any usage of the card that is not allowed, up to the limits allowed by law.</p> <p>c-The Bank is not responsible if the card is lost, stolen or its code number is revealed. The member must inform the Bank or any Visa office of this and he should submit this within one week, in writing. The member shall remain responsible for all transactions of the lost or stolen card until he notifies the issuer of the Visa card and the service institutions of the lost or theft of the card.</p> <p><u>9-Renewal</u></p> <p>a-The member authorizes the Bank to renew the main card or the subsidiary card upon expiry of the current card. The Bank shall charge the renewal fees annually.</p> <p>b-The Bank shall continue renewing the card in this way until the member asks it to stop, or when the subsidiary member asks it to stop renewing the subsidiary card. The Bank must be notified in writing at least one month before the expiry of the card.</p> <p><u>10-Card cancellation</u></p> <p>a-The card remains the property of the Bank and the member should return it to the Bank at request. The Bank may annul the member's right to use the card completely or it with regard to a certain operation at any time, at its discretion and without notifying the member.</p> <p>b-If the Bank cancels the card, not due to any violations by the member of these conditions on the part of the member, it shall return to the member a portion of the annual fees corresponding to the remaining period.</p> <p>c-The Bank may cancel the card if the member commits any prohibited action with the card, if he loses his legal competence, or if he dies.</p> <p>d-The subsidiary card may be cancelled upon the request of the main member or the subordinate member.</p> <p>e-The card should not be used after its cancellation or expiry.</p> <p><u>11-Changing terms and conditions</u></p> <p>a-The Bank may change the terms and conditions at any time after notifying the member. The member's maintaining or using the card after such a notification is considered as acceptance of these changes.</p> <p>b-If the member does not accept such changes, he can terminate the contract by cutting the card in the middle and returning it to the Bank. The member is responsible for any expenses made by the card (including fees) until the date of ending the contract. However, the Bank shall return to member a part of the annual fees corresponding to the remaining period.</p> <p><u>12-Applicable law</u></p> <p>a-The interpretation and implementation of such terms and conditions and all matters arising from issuance or usage of the card are subject to the laws of the UAE in compliance with the Islamic Sharia laws. Dubai courts are the competent court to settle any disputes arising in the interpretation of these articles.</p> <p>b-The elected domicile to which the Bank shall direct its correspondence and notifications is that mentioned at the beginning of the application for obtaining the card unless the member notifies the Bank in writing of any changes to it.</p> <p>c-The Arabic version of the terms and conditions shall prevail if any disputes arise from interpretation and application of the English version of the terms and conditions.</p>
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Document number (3)

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General Accounts Department

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General Accounts

The first part addresses the work of central general accounts department, while the second part addresses the practical aspects of the general accounts in branches.

Part I –Business Entrusted to General Accounts Department of the Main Branch

- To receive documents from other departments. Such documents can be divided into two categories: The first of them is recorded in its accounts by the computer operator in the department. The second is sorted and submitted for review on the screen printer at the main branch every hour. In addition, there is a review of the activity of checks recorded through the Clearing Department using a special report.
- After completing recording and reviewing of the activity at the main branch. A summary of the activity of each screen and a summary of activity of the branch is printed to ensure completion of the accounting file of debt and credit activity that had been recorded in the branch's screens.
- Folders should be arranged daily (General / Current / Commercial Transaction / Foreign Banks). The number of documents of each account is reconciled with a computer report with the number of documents in General Accounts.

Settlement Work

In this the settlement statements of the correspondent bank are prepared to reconcile it with the debit and credit activity in the statement of account, and the settlement statements of what has not yet been executed, either in the Bank's book or the correspondent's book. Correspondent banks, concerned departments and branches are addressed in order to settle these transactions rapidly with continuous follow up of this work.

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Businesses of Building Council

The businesses of the Building Council are summed up in preparing checks that are received from the Building Council of Dubai Government for housing rents in the regions of (Al-Sanya / Al-Qasis / Al-Karamah). It also disburses compensations monthly to citizens whether in cash or through transfer to their accounts in the bank or other banks. The same happens with the salaries of the guards of these buildings in such areas. A monthly reconciliation is prepared for the balances of accounts "under settlement" with payment receipts in coordination with the Accounts of the Building Council.

Printer Accounts

To keep track of the ledger group and the documents, to prepare the balance sheet and financial statements of the printer unit of Dubai Islamic Bank, in addition to undertaking collection and payment activities, either for suppliers or customers, and to prepare the statements of accounts of their transactions.

Work of Expenses

To prepare accounting entries of expenses, to revise any document received from the departments about any payments, in addition to reviewing salaries and employees' accounts, and to prepare the settlement of accounts of payable checks.

In what follows, we will cover in detail the work of central accounts, which are limited to:

Statements of Central Bank

These statements are accounting statements that consist of:

- | | |
|---------|---|
| Monthly | Bank Statement Number (1), which is a combined balance sheet of the Bank monthly. |
| " | Bank Statement Number (2), which is a distribution of the Bank investments over the economic sectors. |

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“	Bank Statement Number (3), which is a distribution of deposits (current / saving / investment) to evaluated and non-evaluated economic sectors.
“	Bank Statement Number (4): Profits.
“	Bank Statement Number (5): investment deposits, according to period of maturity.
“	Bank Statement Number (6): debit and credit balances of external banks, arranged according to location.
“	Bank Statement Number (7) Net position of AED.
Quarterly	Term deposits as per the deposit period.
“	Analysis of financial position features (D.M.M (3))
“	Risks of asset investments in AED and foreign currencies
“	Position of foreign currency (D.M.M (5))
“	Analysis of assets and liabilities due M/AM ¹

These reports are prepared from actual ledgers and monthly reports from the computer

Financial Position

It includes preparation of the monthly financial position and full analysis of expense and revenue categories. It is prepared monthly in cooperation with the Computer Department.

Estimated Budget

Its preparation requires the availability of actual figures of the previous years in order to get indicators that help the management to identify its investment policies and expectations in attracting customers. It also requires following up on this budget in order to show the aspects of deviations in estimates and expectations, whether increase or decrease, to be taken into consideration when the next budget is prepared.

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For investment saving, its statements are prepared using a computer according to the software designed for this purpose with application of general conditions of savings account. Thus, the total statements are included with the investment funds.

Shareholders' funds are determined and listed in the aforementioned items.

Charity tax

To share with the Sharia Supervisory Board in calculating charity tax allocation per each share and per stockholder funds in the Bank.

Work of Shareholders Accounts and Shares

To keep track of the accounts of stockholder profits, to transfer such revenues to them, to reconcile their balances with the balance of the general ledger, and to prepare share certificates and their trading entries. Also to prepare records submitted by [illegible - creditors?] for this and to inviting to ordinary or extraordinary general body meetings to be held.

Control Reports

1. Review of Cash Reserve / AED – USD

Balances which must be kept by the Central Bank against the customers' actual deposits in Current / Saving / Investment / Insurance accounts are calculated from the Monthly Bank Statement Number (1).

2. Capital Sufficiency

It includes calculation of risk factors on all kinds of "asset" investments according to Bank Statement Number (1), as well as the bank's private funds, paid up capital, reserves and deferred revenues. It also includes calculation of contributions in banks that contribute to the Bank capital [by] calculating another rate related to the first rate. Note that the first rate may not be less than (10%) and the second rate may not be less than (67%) of the first rate.

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3. Proportion of investments to deposits

It includes quantification of investments - commercial investments, speculations, partnerships and stocks, i.e. after exclusion of allocations with deposits concerning their maturity period. The proportion may not exceed 1: 1.

4. To follow up on cash settlement among the balances of the Central Bank, other banks, cash in the safe, and payable checks taking into consideration the maturity periods of investment deposits and the current and saving accounts. Special attention must be paid to saving the funds necessary for investments (Bank Employment (of capital)).

General Balance Sheet and Financial Statements

The financial statements are prepared based on the trial balance of the fiscal year. All analyses and settlements are then made. All these actions are reviewed and balances and revenues are recorded in one account (Yearly Profit and Loss Account). Next, revenues are distributed either to the depositors or shareholders from this account.

Part II: General Accounts Department in Branches

The General Accounts Department in the branches serves as a control of branch accounts' activity. Most important functions of the General Accounts Department are:

1. To review the daily activity of notices.
2. To review the daily activity of ATMs.
3. To review and reconcile the daily balances of subsidiary ledger with general ledger.
4. Settlements.
5. Expenses.
6. To prepare the branch portfolio of general documents daily.
7. Reports.
8. To control cash activity of the branch and the liquidity ratio.

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9. Inventory settlements of final accounts at the end of the year.
10. Inventory of fixed and cash assets on December 31 of each year

1) To review the daily action of notices

- Each department enters its notices into computer using the software designed for that.
- Person responsible for review prints the action immediately after entry of notices by various department.
- Person responsible for review reviews and matches notices with the activity report from the computer.

There are several basic things to be considered when doing this review.

A. To review notices received from cash screens:

1. Cash withdrawal receipt.
2. Check.
3. Cash deposits.
4. Notices about the safe

Grounds to review these notices are as follows:

1. Cash withdrawal receipt:

- It is by individuals, not companies.
- The date is today.
- The numerals must match the amount written in letters.
- The customer shall sign twice – one for the withdrawal and the other for receiving the amount.
- The authorized amount to disburse is limited to the amount the Department decides.

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- The seal of the cashier must be affixed. It means that he has confirmed the correspondence of the signature, disbursed the amount of money, and deducted the amount from the customer's account.
- Review of the items of cash disbursement written on the back of the cash withdrawal receipt (Counter Check) with the knowledge of the cashier.
- The amount deducted from the customer's account must match the amount in the cash withdrawal receipt.
- The account number written in the cash withdrawal receipt must be the same account from which the amount is deducted.
- Cashier must write the action number in the computer.

2. Check:

- The period since the date of the check may not exceed six (6) months.
- The numeral must match the amount in letters.
- The check must be signed by the customer.
- The signature of the customer must be on any amendment in the check data, whether in digits or letters.
- Check must be sealed with the ATM seal. This means that the signature of the customer, the amount of money disbursed and the amount deducted from the customer's account must match.
- A review of the items of cash disbursement written on the back of the check and the cash withdrawal receipt must be done to confirm that they match the amount written on the check.
- The amount deducted from the customers' account must match the amount on the check.
- The account number printed on the check must be the same account from which the amount is deducted.
- The cashier must write the action number in the computer.
- Checks written in the name of companies and institutions may not be disbursed at the counter. The check must be deposited in the account in most cases, or by exception approved by management. The institution's documents must be attached.

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... the amount [must] not [be] deducted from the customer's account. Accordingly, a record must be prepared immediately if that happens. The Computer Department must be notified. The record must be as follows:

From Customer's Account	
	To ATM Account
(Amount of Activity Number is deducted on: / / 19 ATM Number)	

It is also useful to receive a report from Computer Department that clarifies the time when the malfunction happened.

- When there is activity on the computer activity report , but it is not shown on the journal, or if the activity was cancelled and was deducted from the customer by mistake, the following record must be prepared:

From ATM Account	
	To Customer's Account
(Add the amount of Transaction Number on: / / 19 ATM Number)	

- When cash is added to an ATM, an inventory must be made of the cash in it before adding it. It must be also reconciled with the registry balance to ensure that there is no undetected error in the cash. There is a form prepared for this purpose attached at the end of the report.

3. Review of the daily balances of subsidiary ledger with general ledger

(Explanation, Illustration, and Basis of Review and Accounting Entries)

A. Cash

1. Main Safe & Sub-Safe

Each branch has a main safe and a sub-safe. Each safe has a limit that those responsible for them may not exceed, as such limits are determined based on the amount of insurance on each safe. For example, if the amount of insurance for cash in the main safe is 5,000,000 dirhams, the safe balance may not at any time

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exceed that amount of money. If the cash amount exceeds the insurance value, it must be properly deposited in the Central Bank. When deposits are made into the Central Bank, the accounting record is as follows:

From Central Bank Account	To Main Safe Account
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- For the sub-safe, amounts in excess of the insurance amount must be transferred to the main safe immediately. The accounting record must be as follows:

From Main Safe Account	To Sub-Safe Account
------------------------	---------------------

- General Accounts Department must follow up on the daily balance of the safe.
- The register balance must be reconciled to the main safe register with the trial balance daily.
- The register balance of the sub-safe register must be reconciled to the trial balance daily.
- The treasurer of the safe and the person responsible for the safe must sign the main safe and sub-safe registers.

2. Postal Machine:

- Postal stamp machine is supplied with a lump sum, for example, 2,000 dirhams.
- Outgoing letters with the amount of postage must be sealed by this machine. When the postage machine is recharged with funds, a check written for the amount required to be added to the machine must be sent to the General Postal Authority. The accounting record must be as follows:

From Account of / Custodian of Postal Machine	To Account of / Security Papers (Manager Checks)
	(Increase of Postal Machine Balance by amount of on: / /
19)	

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Note that there must be an activity register for the postal machine in which all outgoing letters are recorded with the postage value for each. At the end of the day, all amounts spent during the day are added up, and an entry with the total value of that day's mail is prepared. The accounting entry is as follows:

From the account of/Mail Expenses	To the account of/ mail machine custodian
-----------------------------------	---

- The registry balance in the postal machine activity register is reconciled with the trial balance and with the cash balance of the mail machine.
- The person in charge of the mail signs the postal machine activity register at the end of the day, and it should be reviewed and authorized by the head of the department.

3-Foreign Currency Fund

This is the foreign currency, whether USD, GBP, SAR, etc. that are in the branch safe

- The actual cash balance is compared to the registry balance in the trial balance for each currency, given that when selling or buying such currencies, there will be profits or losses. These amounts must be carried over to the profits and losses account.

In case of buying, the accounting entry is as follows:

From the account of /foreign currency fund (e.g. US dollar)	To the account of/cash
(the value of purchasingUS dollars at the price of 3.65 dirham per US dollar.	

In case of selling, the accounting entry is as follows:

From the account of /cash	To the account of/ foreign currency fund (US dollar)
(the value of purchasingUS dollars at the price of 3.68 dirham per US dollar.	

There is a profit or loss resulting from purchasing or selling of currencies.

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In case of profit, the accounting entry is as follows:

From the account of/foreign currency fund (US dollar)	To the account of /revenues of selling and purchasing currencies
---	--

In case of loss, the accounting entry is as follows:

From the account of/expenses (losses of selling and buying of currencies)	To the account of / foreign currency fund (US dollar)
---	---

The rates for the US dollar mentioned above are for illustrative purposes only.

B- Investment in Commercial Transactions

The balances of the assistant ledger related to various commercial transactions, including manufacturing finance buildings, purchasing and selling buildings, cars or local goods should be reconciled with the trial balances. A daily report of commercial transaction balances in the assistant ledger is prepared by the branch's computer department.

When performing a commercial transaction for a car, the accounting entry is as follows:

From the account of/commercial transaction for a car	
To the accounts of	
/A manager's check (in the amount of the car)	
/Insurance (if the Bank does the insurance)	
/Revenues (distributed based on the years)	
For a commercial transaction process no..... in the name of Mr. /.....	

When depositing an down payment, the accounting entry is as follows:

From the account of/cash	To the account of/commercial transaction for a car
--------------------------	--

- The accounting entry for the rest of the previously-mentioned commercial transactions is done as in the previous entry. However, in case of commercial manufacturing finance transactions, building construction contractors are added to the credit side of the entry

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(the value of practical contracting work) and the account of the consultant, if there are consultancy fees. These are to be paid with the knowledge of the Bank according to the percentage of the building work completed. An extract of the percentage of completion is prepared.

c- Documentary Letters of Credit and Letters of Guarantee

A report is issued for all documentary letters of credit and letters of guarantee as a balance in the assistant ledger. The person responsible for the General Accounts Department should reconcile the balances in the assistant ledger to the control accounts in the general ledger as a total balance for the documentary letters of credit and letters of guarantee.

When collecting insurance (margin) for a documentary letter of credit or a letter of guarantee, the accounting entry is as follows:

<p>From the account of/cash To the account of/ margin for letters of guarantee and documentary letters of credit</p>
--

The following entry is included within the standard accounts for documentary letters of credit and letters of guarantee for the total value of the documentary letters of credit or a letter of guarantee.

<p>From the account of/customers of documentary letters of credit or letters of guarantee To the account of/bank –documentary letters of credit or letters of guarantee</p>

d- Balances of Current accounts, Savings accounts, and Investment Accounts

The computer issues a daily report with the balances of the current, saving, and investment assistant accounts and compares it with the control accounts in the general ledger (trial balance).

e- Expenses and revenues

- One necessary task is to follow up on the daily expenses balance, to know and be informed about any unusual change. The person responsible for the General Accounting Department is usually the individual assigned to do so, as he is the one in charge of expenses in the branch.

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- The total of the debit side of cash at the end of each month must be the same as the total of the credit side. This is what is called the accounting control of the settlement.
- If there is any difference, the amounts must be re-settled once again because this means that some amounts were settled wrongly at the time of preparing the settlement.
- The outstanding amounts in the settlement report should be settled either by substantiating the entry or by canceling it.
- The same previous method is followed with making a settlement between the Bank's account and the Central Bank.
- The same method is also be followed when preparing the settlement of the manager's checks at the end of the month. The total value of the outstanding checks must be the same as the value in the trial balance.

5- Expenses

The branch or bank expenses are limited to the following:

- Labor costs; in other words, expenses related to employees
- Operational costs; in other words, expenses related to direct activities
- Administrative and other expenses related to branch operations
- Fixed asset depreciation

a- Labor costs

The labor expenses are subject to the regulations applied by the Bank and payments are made accordingly. Labor cost includes wages and salaries, employees' rents, furniture allowance, transportation allowance, and other cash and material benefits.

When making any expense operation, the accounting entry is as follows:

From the account of/expenses (wages and salaries)
 To the account of/current account of one of the workers
 (amount of the expense for the salary for the month of.....year.....19...)

All entries relevant to the labor cost are kept in a special file for that.

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b- Operational costs

Operational costs include the costs of printed materials, repair and maintenance, mail expenses, fuels and oils, insurance against risks, telephone and telex, renting the branch building, etc.

At time of an expense, the proper documentary review procedures should be observed regarding each document that involves an expense (example): if someone submits an invoice to the Bank, the following should be observed when reviewing the invoice:

- The invoice should have a date.
- It should be in the name of the Bank.
- A purchase order issued by the branch should be attached.
- Review of multiplication (number/unit price) should be done.
- All items of the invoice should be added.
- If the invoice is related to a stationery store for instance, our warehouse manager should sign that he received it.
- After properly authorizing the documents by the administration, the person responsible for the expense should prepare the expense procedure. The expense is (paid) either by check, cash payment voucher, or a journal entry.

If payment for the expense is made through a check, the accounting entry is as follows:

From the account of/expenses	To the account of/commercial papers (manager's
checks)	
For the payment of invoice no.....dated.....from	
Mr.	

- The check is printed and attached to the journal entry together with credit documents to the bank to be signed by the head of the general accounting department and the rest of the signatures required by the rules.
- When the check is handed over, a receipt indicating this should be obtained
- Expense by a cash payment voucher

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A cash voucher is prepared for petty cash after observing the above-mentioned review rules used in the review of expense documents.

The payment voucher shall have the number of the expenses account written on it, and the accounting entry is as follows:

From the account of/expense (local transportation)	To the account of /cash
(for the reimbursement of local transportation money for one of the employees, for instance)	

- Payment based on a regular daily journal entry

When the customer has an account in the Bank, a daily journal entry is prepared and the accounting entry is as follows:

From the account of/expenses	To the account of/customer's current account
(for the payment of invoice no.....dated19.....)	

The expense documents, whether they are daily journal entries or a copy of payment voucher, are kept together with the expense documents with a copy in the operational costs file.

C-Administrative and Other costs

The same abovementioned review rules used with operational costs are used with administrative and other expenses, including considering and reviewing the payment documents, preparing entries, issuing manager's checks, and payment vouchers.

D-Depreciation

The fixed assets of the branch are depreciated over several equal periods of time according to the fixed installment system. The rate of depreciation of each item is different according to the depreciation rates used by the Bank.

The accounting entries are as follows:

For the purchase of the assets, the accounting entry is:

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From the account of/the asset	To the account of/ commercial papers (manager's checks)
(for the purchase of.....model.....)	

When performing an depreciation entry, it is as follows:

From the account of/depreciation	To the account of/[total depreciation]
----------------------------------	--

Note that it is better to make the depreciation entry on a monthly and not at the end of the year. This shows the true picture of the trial balance in time.

When selling any asset (a simple example)

If the value of the car at the time of purchase is 30,000 dirhams, its book value at the time of sale is 20,000 dirhams, and it is sold for 12,000 dirhams, then the accounting entries are as follows:

From	To	Statement
20,000	20,000	From the account of/[aggregate depreciation?] To the account of/asset

When receiving the cash from the buyer, the accounting entry is as follows:

From	To	Statement
12,000	10,000 2,000	From the account of/cash To the account of/those mentioned To account of/asset To account of/profits of selling assets

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As there are no accounts in the trial balance for any profits or losses for the sale of assets, the value in case of a profit is added to the account of miscellaneous revenues. In case of a loss, it is deducted from the account of miscellaneous expenses.

6- Preparing the general portfolio of the branch

The person specialized in preparing the daily journal shall perform the following:

- Receiving documents from the person responsible for review of the activity of the daily screens.
- Reconciling documents with the screen activities.
- Arranging the notification numbers in order by activity number in their printed report.
- Arranging the activities in order by screen number.
- Stamping the documents with a serial number stamp.
- Putting down the number of documents in the daily journal.
- The person in charge of preparing the portfolio shall sign the daily journal on the outside.
- The head of the general accounts department shall sign the daily journal to follow up on its preparation daily.
- The daily journal is kept in a secure storage place.

7- Reports

The General Accounts Department shall prepare monthly reports for the branch administration showing the changes that took place during the current month compared to the previous month in the form of items and percentages, and explain the reasons for those changes.

Attached at the end of this report is a report issued for the month of November 1993.

8-Monitoring the cash movement of the branch and the liquidity rate

The head of the General Accounts Department shall monitor the cash activity and the liquidity rate at the branch. In view of the fact that the branch has a permanent balance at the main branch, it is easy to withdraw any cash amounts the branch needs to cover withdrawals, manager's checks, etc. If there is an account at the Central Bank, a sum of money should be maintained in the account, The amount of this

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which is necessary is left to the discretion of the head of the General Accounts Department. It should be replenished when withdrawals are made from this account.

9-Inventory settlements of final accounts at the end of the year

At the end of the year, the General Accounts Department prepares the entries of inventory settlement entries of the final accounts; these entries are those of expenses due, expenses paid in advance, revenues due, and revenues paid in advance (to the bank). Thus, the expenses and revenues of the year are applied to it. Thus, we apply authorized accounting policy based on the principle of what is due when preparing the accounts for the Bank.

If there are expenses due, the accounting entry is as follows:

From the account of/expenses (electricity and water)	To the account of/ expenses due
(for the estimated value of the bill of December that has not been received yet)	

When the bill is received and paid during the beginning of the following financial period, the accounting entry is as follows:

From the account of/ expenses due	To the account of/ commercial papers (manager's check)
(to pay the bill Number for water and electricity for the month of December, 19....)	

When the there is a one-time expense paid in advance, on payment of the rent for the branch, the entry is as follows:

From the account of/ revenue	To the account of/ commercial papers (manager's check)
(with the total value of the rent)	

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Note that the lease contract is valid from 05/01/1993 till 04/30/1994, for instance. Thus, the financial year includes expenses that are unrelated to it but are related to a future financial year. In this case, the accounting entry is as follows:

From the account of/expenses paid in advance	To the account of/rents
(with the value of the rent for the period from 01/01/1994 till 04/30/1994)	

It is usual that the entry of the expenses paid in advance in the branches is prepared on time, and the entry of accrued expenses is prepared at the time of closing the final accounts.

In case of advance and accrued revenues

In case of advance revenues, and revenue due:

In case of advance revenues, the accounting entry is as follows:

From the account of/revenues	To the account of/ the revenues paid in advance
(for revenues collected in full and added to the revenues account while it is not related to the current fiscal period)	

In case of revenues due, the accounting entry is as follows:

From the account of/ accounts due	To the account
of/revenues	
(for revenues that have not been collected and is relevant to the current fiscal year)	

Of course, the balance sheet shall show the accounts of expenses due, expenses paid in advance, advance revenues, and revenues due.

10- Inventory of fixed assets and cash on December 31 every year.

The fixed assets are inventoried at the end of every year; the inventory lists are prepared by departments of the branch. They are signed by those in charge of the inventory. The assets are reconciled to the register or the fixed assets registry at the branch.

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1. Systemic Accounts

These accounts are established primarily for the purposes of oversight, as well as and controlling records of check amounts, whether they are customer checks (current - saving - investment), under collection, traveler's checks, or other checks under collection by other Bank departments.

Reconciling check amounts is done as follows:

a. Checks under collection:

- At the end of each month, the computer prints a full statement of all checks for each account, distributed based upon the due date. The total amount and number of such checks will be written at the end of the report or the statement; thus such a report is deemed an assistant ledger report for the checks.
- The total amount stated at the end of this report should match the control account stated in the trial balance.
- There is a register at the Foreign Department, which includes the activity of traveler's checks of each category.
- The total amounts of traveler's checks for a certain currency, are reviewed and checked against their calculation set out in the General Ledger (for example):

Total amounts of traveler's checks for Citibank Corp. in US Dollar (US\$50,000) shall conform to the same value as in the trial balance with the foreign currency, and shall match the same value stated in its register kept at Foreign Affairs Department.

b. Returned Checks:

- For the purposes of monitoring returned checks, an account for returned checks should preferably be created among the systemic accounts, to facilitate monitoring and follow-up, for example:
Returned checks related to commercial transactions of manufacturing finance buildings; returned checks related to commercial transactions of selling and buying buildings; returned checks related to commercial transactions of domestic good, foreign goods, and cars.

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Computer Department

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Computer Department

The Computer Department was established at Dubai Islamic Bank on 1/1/1985, and since that instant, it has undertaken the full responsibility for providing bank departments and various branches with direct connection with the computer. The Bank intends to use the computer system to save time and effort for the customers; to enable them to get bank services as quickly as possible; as well as to obtain data and information related to administrations, departments and branches as quickly as possible, whether in terms of daily or monthly records.

Duties and responsibilities of the Computer Department:

First: Responsibilities of Computer Department:

- Preserving information and data in a manner that guarantees it is accessible at any time, in a place and conditions that guarantee that is their safety and confidentiality.
- Delivering information and data in a useful and easy-to-deal-with manner.
- Training individuals (computer users) on how to operate computers and deal with software available for their work.
- Protecting the computers in the Department.
- Informing the company about any malfunctions of computers, whether the computers are in the Computer Department or other departments and branches.

Duties of the Computer Department:

Duties of the Computer Department are divided into several types:

1. Operation:

This means the operation of all computers available in the Computer Department, including the following:

- Computers and their accessories, whether they are monitors or printers.

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- ATMs and their accessories, either ATM control devices or card processing machines for customers to use the ATM.
- Signature checking devices and their accessories, such as the control device, its signature storage device, and monitors distributed in the departments.
- Operating communication devices responsible for providing communication lines from computers to terminals located in the branches and departments of the Bank, along with supplying lines for signature devices and ATMs in the branches.

2. Preparation of programs:

- This includes writing new programs according to the requirements and needs of the Bank, whether for the management, departments, or other private institutions like Central Bank, and testing them.
- Amending active programs when needed according to the requirements of users, to enable customers to obtain information, and amend it when required.

3. Preparation of statements and reports:

- Information and data are prepared so that they can be entered easily into the computer through entry programs. In addition, data are sorted into various types for the purposes of control and review by the management.
- Reports, either on daily, weekly or monthly basis, are prepared. This gives a clear, complete picture of work progress at the Bank. Data is monitored, either entered or extracted, from the computer through programs used for that.
- Reports are prepared and used for the data in the computer, by preparing computer programs for the purposes of control and review undertaken for the management, and such reports are [illegible] and numerous.

4. Monitoring computers and reporting malfunctions:

- Monitoring all computers, whether they are in the Computer Department or branches, so that they can function with the best possible capacity, along with informing technicians of the computer company about

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malfunctions, so they can perform necessary repairs as quickly as possible. Thus, computer work will not be interrupted. Preparing the proper conditions to enable computers to work best, like monitoring air-conditioners to maintain temperatures of computers so they can work with the greatest possible capacity. Also, protecting them from dust, which could cause damage to some computers due to their sensitivity.

5. Training personnel and users of the computer system:

- The Computer Department trains personnel and users of the computer system how to operate terminals connected to the computer, and how to deal with active programs, each employee according to his specialty and the security level granted to him.
- The Computer Department trains personnel on how to monitor ATMs, how to deal with problems requiring work of a specialist in the branches, or reporting problems which they cannot handle, but need the assistance of specialized employees of the Computer Department to solve. Also reviewing activity tapes and installing printing tapes for ATMs.
- Training users of signatures monitors how to display the signature on screen and match it to signature of the customer.

6. Holding meetings and visits of branches:

- Periodic meetings are held with the branch managers and heads of departments in the branches and the Main Branch to discuss work methods and proposals, either submitted by managers of branches or heads of departments, or those presented by the Computer Department, to unify work actions in the Main Branch and branches.
- Periodic visits are paid to branches and departments to be familiarized with work progress, to discuss any problems that happened to the users, and to present new things about the system and provide training on them.

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Units working at Computer Department:

Work in the Computer Department is distributed among various units, each of which undertakes certain duties. Such units are:

1. Systems analysis unit.
2. Programming unit.
3. Operation unit related to the computer and its accessories.
4. Operation unit related to the ATM and its accessories.
5. Operation unit related to the signature device.
6. Training and branch communication unit.
7. Communication devices monitoring unit.

We would like to point out that the work of these units is performed with the cooperation of all employees working at the Computer Department, in contrast to being a duty. The units are independent, and a supervisor will be over several individuals, whose number and working hours vary according to the work of such unit.

Such work duties may be shown in detail as follows:

1. Systems analysis and design unit:

The work duties of this unit are currently undertaken by the Programming Unit, as the abovementioned unit is not established yet in the Department, due to the lack of full-time employees required to work in this unit. This unit will do the following work:

- Preparing and studying the files related to the operation of programs contracted and agreed upon with the computer company, which are called, (PACKAGE.) Each file is stored according to its function, type, and memory area required to store it. Examining the fields forming the files, regarding compatibility with the field study conducted when agreeing upon the system, and its capability to meet needs when work is developed.
- Selecting programs received by the company, which are related to the PACKAGE system; checking their compatibility with work needs and requirements; testing their technical aspects; checking how these programs handle files, then this test is time-bound, so as to ensure that.

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Using copies of files rather than original files, to keep the original files apart from testing and experiments.

- Developing time plans for applying the new system, moving from the manual system to the computer system, or from one computer system to another. Moving data from this system to another one. This happens at the Bank system level as a whole, or at the level of subsystems, like the current accounts system. Time plans include possibilities needed for application and how to use them. For example, the personnel for the application of the system and devices required for use.
- Studying reports; confirming the results contained in them and reconciling them with the true data in the computer; checking the effectiveness of such reports in presenting a true picture to the users, in addition to studying the designs of reports, so that they can be easily dealt with, and the required data easily searched.
- Developing designs for the new computer systems of the secondary systems, which are not agreed upon with the computer company, thus, a system has actually already been designed for the shares, shareholders, and their needs. Then, after conducting studies, files, reports and data entry programs and software have been prepared, amended and investigated.
- Joining the users of the system in discussion and studies conducted with the systems analysts related to the computer company, and those responsible for providing programs for the Bank, prior to preparing the system for the Bank. The study and discussions will include current and future requirements and needs, and possible development and flexibility of the system to adopt changes and amendments that are made in the future.

2. **Programming Unit**

This unit does several kinds of work:

- Writing new programs needed by the Bank branches, departments and management, according to a written note sent to the Computer Department, clarifying what kind of program is needed. Either preparing a certain report to serve different purposes, a program to give possibilities to enter or change data, or to ask about data or delete

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screens, in addition to monitoring the work of these programs during being execution, reporting any malfunction, lack or problem occurring in any program to those responsible in the department.

— Monitoring and operating devices connected to the computer:

Such devices include monitors and printers; since operators will operate such devices by sending certain orders to the computer's Operating System, OPERATING SYSTEM, monitor these devices during their functioning as some malfunctions may prevent them from working properly. For example, an electrical power failure or a malfunction in one of lines connected to branches or the Main Branch. In addition, there may be some malfunctions and failures affecting printers, like the need to change and amend the program of the printer as a result of an error that has occurred during operation due to electrical power failure to the device or a paper jam within the device during printing.

— Operating the computer:

This is the important part in the work duties undertaken by operators and those responsible for the computer, as some orders are made, with respect to the operating system of the device. After the computer is properly operated, then some orders are made regarding the work flow and file saving, like (history of daily activity starting from the date of operation, and some commands to operate the programs directly with the system (on line).

Then, other orders will be made for the end of the work day of the Bank. The operator in charge of the night shift closes all monitors and stops all programs to start the execution of daily activity balancing programs, in addition to saving files after the balancing process is completed. Files are saved inside certain safes in the Department, as well as other safes within the Bank, so that they can be references for us, if any malfunction occurs in the computer at any time. This will be insurance to maintain correct work flow, confidentiality, and as reference when needed. For example, (users, management, heads of departments may need to know a certain datum on a date previous

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to today. This can only be done by reviewing such saved files, so as to get the results as they were on that date.)

- Distributing reports extracted to relevant departments and divisions: those responsible to operate the computer may also sort and distribute reports extracted, each according to its nature. They are registered in a special registry and sent to the departments. Some of these reports will be delivered the same day, before or after balancing, to departments and branches to be reviewed and kept. Others may be delivered the next morning, for other purposes needed by the heads of departments, managers of branches, and the senior management of the Bank.

4. Operation Unit for ATM (Automatic Teller Machine) and its accessories

This unit is responsible for operating ATMs and related devices, and its work is:

- Program implementation: The programs related to ATMs are executed to issue daily reports to be reviewed and kept. In addition, programs for balancing ATM activity on the control accounts., along with balancing activity among branches if a customer at one branch uses a device of another branch. We would like to point out that such programs are being executed by the computer, since ATMs are connected to the computer.
- Operating the ATM: Those in charge of operating ATMs, either located at the Main Branch or other branches, through ATM control units. These units work via a certain operating system, (OPERATING SYSTEM) as certain orders are given to switch on and off any device. Works conducted and operated through ATM are numerous, some of which are as follows:
 - Switching on ATM during the period allowed for its use.
 - Switching off ATM during the period dedicated for balancing daily activity.

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- Uploading cash provided for each ATM for the purposes of review and control, in coordination with cashiers in charge of counting and providing cash for the safe of the ATM.
- Uploading operating programs once again in case any malfunction occurs in the ATM, due to loss of electrical power to the device.
- Adding or cancelling accounts numbers to be reported by the customers or the Department for many reasons, including loss or theft of ATM card, PIN, etc. This action may be conducted through an official written letter prepared by the relevant management or branch, after confirming the customer's signature and obtaining the authorized signatures stated on the letter. Then, this letter will be delivered to and kept at the Computer Department.
- Operating devices related to the ATM, including the following:
 - A device used for writing the name of the customer, its account number and branch code on ATM card.
 - A devices used for preparing the final form and writing type on the ATM card.
 - A device used for recording information on the magnetic stripe on the ATM card.
 - A device used for giving the color layer for letters after being written, along with making them protruding.

These devices are used when the Computer Department receives applications to issue ATM cards to customers, or applications of amending some details on ATM cards. Such applications are received on a registry and on documents to be delivered to the Department from the Main Branch and the branches. All cards are issued only through applications registered in these registries or via documents received by branches.

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Preparing and issuing PIN numbers for customers:

This is done by an operator who is responsible for this, who is authorized by the head of the department to execute the procedures of issuing PIN numbers. He is the only person in charge of executing this process, together with the chief of the computer department, for reasons of confidentiality. We would like to clarify one important point here, which is that nobody knows the PIN number of the customer, and it cannot be obtained by any means, even after printing it and submitting it to the customer in a special envelope. The customer is the first person to see the PIN number when he opens the specially prepared envelope.

- Monitoring the ATMs during their operation

ATMs functioning in all branches and the Main Branch are monitored; in case of malfunction or opening an ATM, the control unit sends a message using a special printer connected to all devices. This message clarifies if there is a malfunction or if the employees in charge of the ATM at the branch are using it for certain purposes, such as obtaining the recorded activity tape inside the ATM or replacing the printer's ribbon or filling the ATM's safe with money. The role of the operator who is in charge of monitoring ATMs is to do what is necessary. In some cases, he has to report the malfunction to the officials in the company which is responsible for maintaining this machine (Philips) so they can send a technician to examine the ATM and re-start it.

5- The control unit of the signature verification machine

They are stand-alone units, as the signature verification units that have been installed in the Bank are individual units not connected to the computer.

The person responsible for the signature unit performs the following work:

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- Monitoring the main signature units, which are the main control units and the main device that stores the signatures, in addition to signature screens connected to the main device, which is installed in the Main Branch and branches through communication lines. Any malfunctions are reported to the company to supply the necessary spare parts or make repairs if the malfunction is related to operation.

- Storing signatures at the main device. This takes place through a subsidiary unit connected to the control unit and the storage unit. Signatures are photographed in a special manner. Then the photographed images are adjusted to get the best possible results. Then signatures are recorded on special disks within the main device. Storing signatures in this way is a very modern technique. Microfiche was the most common technique for storing signatures. This gives us the possibility of storing 180000 (one hundred and eighty thousand) signatures in addition to the possibility of adding more than one signature for the same account if it is a joint or joint [sic]. Special instructions appear on the screens while displaying the signature on the screen, like: this signature is authorized to withdraw 10,000 dirham, and other instructions that can be described. We would like to mention that all signatures, whether those of the customers of the Main Branch or customers of the branches, are stored using the computer one by one through the operator of the signature units.

- Copying the stored signatures on certain tapes and keeping them in safety deposit boxes inside the Bank away from the department, in a systematic and regular manner on a weekly and monthly basis for safety and security reasons, and in emergencies, or if, God forbid, something happens. Then, we can refer to them.

- The Printer attached to the main device enables us to print out reports. We can also have some reports printed using a special printer connected to the machine. Those reports are:

- 1- Reports on the accounts for which signatures are stored.

- 2- Reports on the condition of the system showing the number of signatures stored and the number of cancelled signatures, those signatures about which inquiries have been made, and the date of the last signature backup (BACKUP) and similar technical information.

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3- Signatures may be printed in a report using the same printer for storage and usage and emergency use. If the machine is completely broken, we can refer to this report.

- Receiving replies and inquires of users of signature screens.
- Making amendments to some accounts according to the request of the Main Branch office, branches or heads of departments (such as adding a signature to a previous one, amending the instructions relevant to any account, cancelling some signatures from joint accounts, and other amendments requested of us through an official written letter signed by the branch manager or the department head.

6- The training and communication with branches and users

All the staff of the department do the work of this unit as we do not have full-time employees for this work in this unit. The main tasks of the unit are:

- Training system users, or any persons working on their behalf, to use the new systems, whether regarding the technical or the operational aspects. In other words, when new systems or programs are introduced, users are trained on how to use such programs or systems, what inputs they have to provide and what outputs that they will get. Departments and branches send some of their employees to the Computer Department, and the system is explained to them, how it works, and the ways to operate it. They in turn, train their colleagues in the branches and departments. Training might take place of each branch individually by sending one of the well-trained staff members of the computer department to branches to explain the system works to all users in the branch so that they understand the system and how it works.
- Training system users on the operation of devices. This also happens for the devices in Main Branch and branches too. These devices are limited to computer screens, printers, signature screens, and ATMs in branches only, because the computer department is responsible for all machines in the Main Branch. For example, how to change printer paper, how to change the printer ribbon, and how to deal with printing programs (these are programs related to the devices and are different from the programs we previously discussed).

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They are also trained on ways of amending some of the systemic operational commands which are stored on the computer screens. This is called (CONFIGURATION), which the command sometimes requires. As for the signature screens, the training is limited to training on how to show the signature on the screens, showing instructions, and showing the joint signatures for one account.

Training on the ATMs is as follows:

- Training on installing printing paper for activity that is printed, for daily revision.
- Training on ways of installing printing tape.
- Training on the paper for giving receipts to customers in case of withdrawal, inquiry or requesting a statement.
- Training how to review the daily activity extracted from the machine, and the codes related to each activity. This requires accuracy in review, regularly and continuously. Sometimes, you have to review the tape to confirm a certain activity at a specific time.
- Training on how to put the cash in the boxes designed for them in the machine, each box with a different denomination of notes. They are also trained how to distribute the cash. Several conditions regarding the notes in the ATM must be met to prevent the malfunction of the device when using money that does not meet such conditions. For example, (damaged bank notes, or those which have holes or cuts in them)
- Training on how to get a report of the total amounts withdrawn, the remaining money inside the machine, and how to load the money added to the ATMs through certain cards given to branch officials.

As regards communication with branches and users of the system, it takes place in case of inquiries by users regarding problems facing them during their daily work. Their inquiries are responded to either by going to them if they are in the Main Branch, or by phone if they are in the branches. Sometimes, the computer department asks the users to do some things.

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- Communication monitoring unit

The tasks of this unit are currently performed, have been done since the beginning of work in the computer department by the Computer and ATM Operation unit which is in charge of the communications devices that are installed to provide communication lines in the branches and the Main Branch. These devices require special monitoring as the communication lines sometimes stop functioning and it requires contacting the leasing company to check the malfunction or contacting the company in charge of maintenance of those devices to find out the malfunction as soon as possible and fix it. If one of the lines stops working, the whole branch stops, as this line is responsible for linking the devices in the branch with the computer or any other control units, like the signature machine.

We would like to refer to the fact that there are three types of communication devices installed in Dubai Islamic Bank:

a- First type

Transmission and reception devices related to the main communication line and Amerital company is in charge of them.

b- Second type

Communication machines related to the computer from Tandem company used in connecting the main line directly in the switch board to several subsidiary lines directly connected to subsidiary devices (screens, printers). This gives greater possibilities to the device. For instance, this device enables extending one line from the switch board and branching it into ten subsidiary lines, each connected to a subsidiary device (screen, printer). This type of device requires knowledge of its operation and its operating programs. Users should be know how to do that and operate these devices.

c- Third type

They are amplifiers fixed on the supply line. It is known that a cable connecting the main device to a subsidiary is connected with the length of the line (cable). If there is a need to connect a line in a certain place several meters away and it exceeds the maximum connection power, then an amplifier called a (LINE DRIVER) must be connected on that line.

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Sharia Supervisory Board

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Islamic Sharia and Sharia Supervision

The meaning of Sharia:

Sharia are the rules set by God for his worshipers. It is a comprehensive system for all matters of life. It shows people the path of faith, explains to him the fundamentals of doctrine, and regulates his relationship with his Lord. It commands him to purify himself, and governs his relationship with others. Sharia is complete and lacks nothing. It governs every forbidden situation, and no situation is outside its rule. It covers individuals, groups and countries. It regulates the personal situations, dealings and everything related to individuals, groups, countries and their relationships with each other. Sharia is not confined to a certain time, a certain age, or a certain period. It is a Sharia for every times, age and period. Sharia is designed in a way that makes it timeless. That is why its rules and theories do not need change. Its texts are general and flexible to govern every new situation, even if unexpected. Thus, the texts of Sharia are not subject to change or substitution like texts of situational laws.

The basic difference between Sharia and law is that Sharia is from God, the Mighty and Glorious, the Knower of the unknown, the One who is able to set texts that remain applicable through time. As for laws, they are set by men to meet their temporal need. As human beings are unable to know the unknown, the legal texts they make fall short of covering the unexpected. (1)

Islamic Sharia is flexible

The texts of the Islamic Sharia are flexible and general, covering the needs the group, however long the period is, however much the group progresses, and however much the needs multiply and diversify. Islamic Sharia principles can be described as elevated and sublime and they are never late in time or age for the level of the group (2).

“More than thirteen centuries have passed over Islamic Sharia. Situations have changed more than once, ideas and opinions have developed greatly, modern sciences and inventions

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have been devised that were unimaginable.

The situational basis and texts of law have changed more than once to suit the new situations and circumstances to the extent that situational legal bases that we apply today have no relation to the situational legal bases that were applied when the Sharia was revealed. In spite of all this, and though Islamic Sharia does not accept change or substitution, the basis and texts of Sharia are more sublime than the level of groups, and capable of regulating them and meeting their needs, and are closer to their natures, and more protective of their security and calm (2).

This is the wonderful testimony of history, which stands on the side of Islamic Sharia. There is nothing more magnificent than it, if not for the testimony of its texts and logic. For example, the saying of God Almighty “and their matters are counsel among themselves”, (Al-Shawra 38). Or read what the messenger, peace and blessings be upon him, said: “There should be neither harm nor malice in Islam.” In these two texts from the Qur’an and the traditions, there is unimaginable generality, flexibility, and greater ease. They both agree on counsel as the basis of rules in a way that does not do harm to public order or the benefit of individuals or groups. Affirming the principle of counsel in this way made Islamic Sharia reach maximum sublimity, which man could never imagine reaching. They have to determine their affairs through counsel and without doing harm to each other or having malice; but people cannot do that. (2)

Sharia supervision

Many might ask saying whether the Sharia supervision is necessary for Islamic banks. Are Islamic rules not well known and are those who work in Islamic banks not Muslims? What is the reason for modernizing this task in Islamic banks since their inception and continuing and expanding its activities and tasks?

As a matter of fact, Islamic banks are based on Islam. They are applying rules of Islam in their financial transactions whether they are service- or investment-related. These transactions are what is called “jurisprudence of transactions in Islam”. Previous imams strived to formulate this jurisprudence according to the situations of transactions they faced at that time. They set up foundations and controls to make transactions easy for people and achieve their benefit without violating Sharia rule, which is comprehensive and flexible, as we clarified earlier. Banking transactions nowadays are based on financial transactions involving various international banks and financial institutions

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that introduce new financial instruments every day to offer services and investments. These instruments and transactions need to be looked at through the lens of Sharia. The new transactions are either approved, amended according to Sharia rules, or totally rejected because they violate basic rules of Islamic Sharia. In addition, implementation of this work in a way that does not violate Sharia rules needs affirmation and guidance. Financial and economic experts know quite well that financial institutions in general require many types of financial supervision to make sure that people who lead those institutions are abiding by the systems, rules and bases prescribed for financial behavior, to guarantee the safety of customers' money. Institutions that are founded on Islamic Sharia need to make sure that the implementation had been conducted according to Sharia rules and controls, which were determined by specialists in this field. How can there not be such supervision? Founders of Islamic banks stated to their depositors and shareholders since day one that their institutions are built on the foundation of applying Sharia rules. Depositors and shareholders only deposited their money in those banks because they are applying Sharia rules.

Hence the necessity of having Sharia supervision in Islamic banks and institutions. In my point of view, it is not an invention of current Islamic banks. It is an extension of the controller's job in the Islamic state. The controller had authority given by the authorities to supervise work in markets, weights, and measures. The behavior of normal people makes them abide by Sharia principles and apply Islamic justice if people stray from it. The controller would ask shopkeepers about the Islamic rules regarding what is forbidden or allowed in selling. If the shopkeeper knew these rules, he would allow him to continue. If not, he expelled him from his business and cancelled his license, so he would first learn before he works in business, so that he might not unknowingly give people forbidden things.

The importance of the Sharia supervision lies in the appearance of several financial and investments entities which are not serious, whose foundational system states that they work according to Islamic Sharia rules, whereas there is actually no supervision that guarantees that. This might lead to loss or decline in trust in serious Islamic institutions (3).

However, we should answer a question, namely what do we mean by Sharia supervision?

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The meaning of Sharia supervision

Dr. Issam Abu Al-Nasr (4) defines Sharia supervision over financial and Islamic institutions as being a permanent, specialized, independent authority that inspects, analyzes and assesses different actions and activities in all their phases in light of Islamic Sharia. Moreover, it ensures to what extent religious opinions and Sharia provisions are implemented, and finds alternatives and appropriate Sharia-compliant ways of doing something that was not compliant.

Dr. Faris Mahmud Abu Muammar (5) defines it as “all the supervisory elements and activities that are used to make sure that the activities of an Islamic Bank comply with Islamic Sharia.” Dr. Hussayn Shahata (6) defines it as “follow-up, inspecting, and analyzing all work, behavior and conduct of individuals, societies, institutions, entities, etc. to make sure that they are done according to Islamic Sharia rules. This uses appropriate, legitimate means to explain violations and mistakes and fix them immediately, submitting reports to the relevant agencies, including notes, recommendations, guidance and means of improvement”.

We summarize through such definitions and others, and through practical reality, that Sharia supervision in Islamic banks and institutions means making sure that the work of the institution complies with Islamic Sharia rules, according to authorized and agreed-upon religious opinions. We will distinguish between Sharia Supervision and the Board for Religious Opinions in detail later on.

Sharia supervision is an essential difference between Islamic banks and traditional banks:

We can decide that the Sharia supervision for the Islamic banks is like the spirit of a person to his body. Without this supervision, Islamic banks become just a name, or worse, a scam that must not and may not be done. Without this supervisory body, the Islamic banks are like other traditional banks in the world. They are no different from others. Those banks compete to provide the best and most refined services in a way that is easy for their customers. This is also required from Islamic banks, but it should be in line with Islamic Sharia rules.

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Therefore, to the extent that Sharia supervision exists in Islamic banks, and has authority to do actual, serious supervision through familiarity with the many and varied tasks performed by Islamic banks, this supervision contributes to invention, to modernize new financial instruments that are consistent with Sharia rules.

Sharia Supervision and the Religious Opinions Board

Many who have written about Sharia supervision combined Sharia supervision work with that of the Religious Opinions Board. Some basic systems and regulations of Religious Opinions boards even indicated that their work is one and the same. The Religious Opinions board gives its opinions on issues submitted to it. In addition to that, it also supervises the work of the bank and follows up on the implementation of their opinions and recommendations. The majority of the Religious Opinions boards, however, are composed of part-time members. Therefore, their follow-up of implementation and application is unrealistic and untrue. Realistic monitoring cannot be performed unless the members of the Religious Opinions board are full-time in giving religious opinions and supervision at the same time. At least one of the members of the board should be full-time and have a supervisory body that is qualified for this work.

I believe that it is better that the members of the board should be scholars with special qualifications that qualify them for the big task they are entrusted with, and one of them should be full-time in overseeing Sharia supervision. Sharia Supervision should be full-time work, and its members should have Sharia and banking knowledge and practical experience. Supervision will not be effective unless the Sharia supervisor and his other investigators have full knowledge of means and methods of banking and investment investigation in addition to the Sharia knowledge that enables them to perform their tasks. Based on our research, we are of the opinion that the Religious Opinions board and Sharia Supervisory should each have their own independent bodies.

When we apply this point of view, the mission of the Religious Opinions Board becomes giving Sharia opinion on questions and inquiries submitted to it, either by management or the findings of the Sharia supervisor through supervision, practical application of the issues that require Sharia opinions, and inquiries of employees and customers of the Bank.

However, the Board should review the forms of contracts, agreements and new transactions the Bank intends to deal with. The Board should also inspect large contracts and transactions,

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which have a special, atypical nature. The board has to cooperate with the Bank management – finding new Sharia forms for the transactions that violate Sharia rules. As for the final statements, and ensuring the distribution of profits, the board must set reserves and allocations, and estimate the charity tax due at the end of each fiscal year.

The Sharia Supervision's key mission – as we previously explained- is following up on the implementation of and Sharia rules issued by the Board and ensuring that implementation is in line with Religious Opinions. The Sharia Supervisory Board must submit its reports and comments to the Religious Opinions board and the management. It shall also act as the link between the Bank management, the Bank customers and employees on the one hand and the board on the other because of its permanent presence in the Bank. For the Sharia supervision to be effective, it should monitor the work of various committees, investments forms, and various Bank contracts. There are supervisory bodies that may discover financial irregularities, for instance, at early stages and correct them such as the internal checking body and others. As for monitoring banking transactions' compliance to Sharia law, who could do this if not for the Sharia Supervisory Board.

Religious Opinions Board

The majority of Islamic banks started to establish Religious Opinions boards as banks encounter new transactions that require a Sharia opinion. Most of those boards have not less than three members. Some banks found it sufficient to appoint a Sharia advisor. Some foundational systems of banks included how to structure a Religious Opinions board, its members' qualifications, how to conduct its meetings, its competencies, and its relationship to the administration. Dubai Islamic Bank and Faisal Islamic Bank of Sudan are two examples of this. Here some might ask how necessary it is for banks to have a Religious Opinions board. Why do they not just use an advisor? In fact, there are many new financial transactions conducted by banks, which require partial independent judgments at least. As Imams agreed that many do not meet the conditions for independent judgments nowadays, therefore, a group of scholars should exert concerted efforts and consult together to reach a judgment that is in line with Sharia principles. In its eighth session held in the holy city of Mecca during the period from 27

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Rabia Al-Akhir till 8 Jumada Al-Ula 1405 A.H. (January 18-29, 1985), the Islamic Jurisprudence Academy Council stated that individual judgments should be collective. Collective individual judgments were applied during the time of the rightly guided Caliphs. When disputed issues were submitted to Prince of the Believers Umar Ibn Al-Khattab, he used to gather wise companions [of Mohammad] and consult with them; they would then give their opinions on those issues. Those that followed used the same method. It is true that originally, individual judgments were individual. However, when the individual judgment is submitted to other individuals of the same level, it will be considered thoroughly from all its aspects and the various thoughts would ensure that it is in line with Sharia principles. As professor Abdul Sattar Abu Ghuda (7) says, the task performed by a member of the Sharia Supervisory Board in a bank includes Religious Opinions, arbitration methodology, calculation, and experience, as he utters the judgment of Almighty God (8). As such, utterance is confined sometimes to transferring knowledge with people who do not have it; it usually requires the giver of Religious Opinions to intervene – since he is qualified- to give his opinion in cases he is asked about. This requires him to contemplate the case as he sees it, and whether it is comparable with the judgment, and whether it meets certain conditions and avoids forbidden things. In the field of Islamic Banking, cases cannot be just classified into Sharia-allowed or Sharia-forbidden. He has to provide alternatives for what seems Sharia-forbidden. He also has to be proactive and set up practical formulas and methods that enrich the banking activities. Furthermore, he has to bear the burden of being the controller and adjoin what is good and prohibit what is forbidden and strive to remove it.

Finally, he should be well-versed with the technical aspects that are connected with the matters he is considering, to show Sharia judgment. He might have such experience directly or might seek the assistance of technical experts until he acquires such experience and it becomes part of his knowledge. He should not delegate this to his colleagues as long as he can investigate it by himself and judge the documents with his mind.

Dr. Abdul Sattar Abu Ghuda is a man with a long experience in the field of Islamic banking in both fields of banking and jurisprudence: A member of the Board should be (even partially) qualified for independent judgments, as he said.

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Religious Opinions and Sharia Supervision Board at Dubai Islamic Bank

It is a board appointed by the board of directors of the Bank in implementation of chapter seven of the Basic System of the Bank and with the approval of the Central Bank. It comprises specialized scholars and its mission is to give Religious opinions in all basic work and novel transactions submitted to it by the management for the Islamization of contemporary banking systems and to make sure that the executive body of the Bank is functioning according to its Religious Opinions and that Bank work is in line with the elevated Islamic Sharia rules and informing the General Assembly of the Bank of that.

First: Sharia supervision:

The Sharia supervision process at the Bank confirms the method of the Bank regarding the Islamization of banking transactions and is a matter which makes shareholders and customers of the Bank feel comfortable when they know that their money is not involved in any transaction that includes the sin of usury.

Sharia Supervisory Board Secretariat:

Its main tasks include:

- 1- Preparing for the convention of the sessions and conferences which includes:
 - (A) Making a list of topics to be discussed by the board in its coming meetings.
 - (B) Making a list of new and atypical contracts to be signed by the Bank with other parties so that the Board can study them in give its opinions in this regard.
 - (C) Studying typical bank contracts from time to time to develop, amend, or add to them.
 - (D) Preparing jurisprudential and scholarly studies to serve the discussions and methods of jurisprudential opinion of the Board.
 - (E) Collecting questions and inquiries of the administration, staff, or customers to submit it to the Board to give jurisprudential opinions in this regard.
 - (F) Showcasing the Sharia auditing results about the work of the Bank and implementing the recommendations of the Board.
 - (G) Preparing the results of the Sharia auditing of the balance sheet, calculating the charity tax due on the funds of shareholders that are in the possession of the Bank and the proper Sharia charity tax on the shares.
- 2- Preparing a file for each member including all topics to be investigated and studied.
- 3- Preparing the agenda of the session, distributing it to Board members, and notifying them of the venue and date of the meeting.
- 4- Taking the minutes of the results of the Board meeting and doing what is necessary with the minutes and the Religious Opinions.
- 5- Sending a general Sharia memo signed by Assistant Managing Director and the Sharia Supervisor about the Religious Opinions issued by the Bboard to all branches and departments of the Bank.

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...Collective [Religious Opinions] and none of the members of the board are permitted to issue an individual Religious Opinions in his capacity as a member of the board. However, he may issue Religious Opinions in his own name. The Sharia Supervisor is considered as the permanent representative of the board in the Bank and he is responsible for monitoring the Bank transactions from the Sharia point of view. In addition, he is the secretary of the Board.

5- Approving the Sharia compliance of training programs for bank staff.

6- Authorizing the publication of Religious Opinions issued by the Board that he deems suitable.

7- Contacting any Sharia supervision authorities at different banks or the and Supreme Board for Religious Opinions and Sharia Supervision for Islamic banks, Sharia scholars, economists, or bankers within the country and abroad to consult with them regarding issues submitted to it for opinion, before giving a Sharia judgment on the matters submitted to it, if it seems important.

8- Nominating a representative for attending symposiums, jurisprudential or banking conferences related to Islamic banks, on its behalf, so the Board can be directly connected with the latest relevant Sharia research and studies in addition to enhancing links with scholars specialized in Islamic banking, so as to achieve cooperation between Islamic banks.

9- In general, article number 82 of the Basic System of the Bank stipulates that the board has the right to access, at all times, all registers and registries of the Bank, and to request any data it deems necessary to get. It also may confirm the assets and liabilities of the Bank.

10- Religious Opinions issued by the Board are binding and executive orders are issued for their implementation.

Sharia Supervisor

- 1- The Sharia supervisor is the secretary of the Religious Opinions and Sharia Supervisory Board of the Bank, and he is in charge of the following:
 - a. Preparing for meetings of the board through determining its date and venue in consultation with the Chairman of the Board.
 - b. Preparing the agenda of the meetings and preparing needed topics to be discussed and all relevant studies, Religious Opinions, data and notes.
 - c. Taking the minutes of the sessions of the board and the Religious Opinions it issues.
 - d. Submitting the results of the studies conducted by the board and its Religious Opinions to the Chairman of the Board of Directors and following up the implementation of the Religious Opinions issued by the Board.

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The Benevolent loan Fund

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The Benevolent loan Fund

Its definition: a loan is the money given by a lender to a borrower to return it when he has the ability to do so. Linguistically speaking, it is a cutting, and called the money taken by the borrower as a loan, because the lender gives him a cut of his money.

Legitimacy: it is a pious action performed to draw near to Almighty, Praiseworthy God as it indicates compassion and mercy on people, facilitating their situation, and relieving distress. Islam praises the lender for giving loans and made them legitimate for the borrower. It did not say it is a hateful action, as a borrower takes money to use it to meet his needs and then return the same amount to lender.

Its proof from the Quran and Traditions

"Oh you, who have believed, when you contract a debt for a specific term, write it down. And let a scribe write it between you in justice. Let no scribe refuse to write it as God has taught him. So let him write and let the one who has the obligation dictate. And let him fear God, his Lord, and not leave anything out of it", (Al Baqara, 282).

As for the Traditions of the Messenger of God, peace and blessings be upon him

It was said by Abi Huraira, that the Prophet, peace and blessings be upon him, said: "If anyone relieves a Muslim believer from one of the hardships of this worldly life, God will relieve him of one of the hardships of the Day of Resurrection. If anyone makes it easy for the one who is indebted to him, God will make it easy for him in this worldly life and in the hereafter. God helps His servant as long as he helps his brother." Related by Muslim, Abu Dawud and Al-Termezi.

and Anas said: the Messenger of Allah, peace be upon him, said:

"On the night on which I was taken on a Night Journey, I saw written at the gate of Paradise: 'Charity brings a tenfold reward and a loan brings an eighteen fold reward.' I said: 'O Gabriel! Why is a loan better than charity?' He said: 'Because the beggar asks when he has something, but the one who asks for loan does so only because he is in need.'

Loan contract:

It's a possession contract and it cannot be concluded except by the owner of money and is not concluded unless there is approval and acceptance such as on a sales and gift contract and it is concluded by uttering the word loan or any of its synonyms.

Any loan that brings benefit is usury.

The loan contract is meant to be lenient with people and assist them in living conditions and facilitate means of living, and it is not a means of profiting or exploiting. Therefore, it is only allowed that the borrower should return the same amount of money to the lender or its equivalent according to the jurisprudence rule. "Any loan that brings benefit is usury". What is forbidden here is linked to whether the benefit of the loan is conditional or common.

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Expediting the paying of loans before death

Narrated Imam Ahmed: a man asked the messenger of God, prayers and peace be upon him, about his brother, who died in debt. He said, he is being detained by his debt, so pay it off for him. He said "O Messenger of Allah, I have paid it off except for two dinars, which a woman is claiming but she has no proof." He said: "Give them to her, for she deserves it."

He narrated that: a man said, Messenger of God, what do you think? If I struggle with my life and my money, and I am killed in battle while I was patient, fighting the enemy and not escaping from it, shall I enter paradise? He said Yes. He asked twice or three times. He said, "You enter paradise unless you die while you have a debt and do not have enough money to pay it"

He also said: *'By Debt and the One in Whose hand is my soul, if a man is killed in the cause of Allah then brought back to life, then killed and brought back to life, then killed and brought back to life, he will not enter paradise until his debt is paid off,'*

Delay in payment by a rich man is injustice:

Narrated Abu Hurayra, may God be pleased with him, that the Messenger of Allah, peace and blessings be upon him, said, "Delay in payment by a rich man is injustice, but when one of you is follows a wealthy man, let him follow."

It is desirable to postpone for a poor person

Almighty, Praiseworthy God said, *"And if someone is in hardship, then let there be postponement until a time of ease. But if you give it as charity, then it is better for you, if you only knew"*, Al-Baqara, verse 280.

Abu Qatada reported that he demanded payment from his debtor but he disappeared; later on, he found him and he said: I am hard up financially, whereupon he said: Do you swear it by God? He said: I heard the Messenger (Peace and blessings be upon him) saying: He who give respite to the poor or remits his debt will be shaded by God in his shade.

Abu Hurairah (May Allah be pleased with him) reported: The Messenger of Allah (Peace be upon him) said, "He who gives respite to someone who is in straitened circumstances, or grants him remission, Allah will shelter him in the shade of His Throne, on the Day of Resurrection, when there will be no shade except its shade."

The benevolent loan fund

at Dubai Islamic Bank

introduction: one of the key features of Dubai Islamic Bank is the presence of a benevolent loan fund for assisting customers to overcome their financial problems they face without exploitation or getting financial gain in return of providing this noble service.

The benevolent loan fund

It was established in 1982. Dubai Islamic Bank was the first bank to establish such a fund, and it was later imitated by other banks.

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The objective of the fund:

The fund aims at lending to Muslims who meet the requirements mentioned in article number 4 of the Bank's Basic System:

Conditions for giving a benevolent loan

- 1- The borrower should be a Muslim who is abiding by Islamic morals
- 2- His salary should be transferred to the bank
- 3- He should be performing the required prayers
- 4- He should be in actual need of the loan
- 5- He should be a customer of Dubai Islamic Bank

The fund transactions

All transactions of the fund are Islamic Sharia compliant.

The loan is granted in the following cases:

- 1- Medical Treatment: if it needs a lot of expenses and it is proven by a medical certificate issued by an authorized body.
- 2- Marriage.
- 3- Sudden and unexpected circumstances.
- 4- Delay and new employees' salaries.

Fund management

- The fund is managed by a committee comprised of three members, and it regulates the method of work of employees of the fund to protect its money.
- Employees of the fund prepare a monthly report of the installments due, the amounts expended, and the financial status of the fund at the beginning of each month.
- Approved loans are paid by checks deducted from the account of/ benevolent loan against deferred checks given by the borrower. The checks are paid after they carry the signatures of two members of the committee.

Resources of the fund

- 1- Amounts given by benevolent Muslims through donations or profit-free loans.

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- 2- The amounts allocated by the Bank Board of Directors to the fund as per the conditions specified by the board.
- 3- Al-Haj Saeed Lootah, chairman of the board of directors, is the founder of the benevolent loan Fund at the Bank, and it ranks first among Islamic banks. He funded it with his personal money.

Procedures at the benevolent loan fund

They include the following:

- 1- Benevolent loan applications
 - a. Giving benevolent loan applications for persons seeking loans (the loan application and guarantor contract) and response to questions and inquiries of the borrowers.
 - b. Receiving applications after filling in its data and getting the required signatures and verifying the necessary documents, namely a photocopy of the passport, a certificate to whom it may concern from his work, for both the lender and the guarantor, in addition to the documents proving the validity of the benevolent loan and the urgent need for it.
 - c. Inquiry about the status of the borrower and guarantor from the computer database, printing out a report, and attaching it to the loan request.
 - d. Collecting applications, classifying them and then submitting them to the committee when convened or at request, receiving them from the reporter of the meeting, writing a check for the value of the total loan, calling borrowers to receive the checks against a receipt or adding the check to the Bank account of the borrower, and taking repayment checks to keep them in the checks' file.
- 2- Entering the data of the transactions into the computer programs, namely, loan file program, loan guarantee program, benevolent loan installments file. Documents related to each transaction are kept in a special file.
- 3- The daily documentary review that includes: review of the list of the installments due and paid, a list of monetary revenues, information on new transactions.
- 4- Monthly accounting control that includes: the account of the loan fund at the Bank (statement of

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the bank. The total of the checks due and paid within the month (list on the computer) and borrowers' balances (the balances list of the benevolent loan until the end of the month). The accounts of the benevolent loan fund are balanced as follows:

The resources:

The total of the amounts deposited for benevolent loan funding (the regular account - bank obligations in exchange for benevolent loan Number 01\ 099\ 01\ 950\ 01).

The uses:

- The balance of the benevolent loan fund account
Bank statement

The total benevolent loan installments under collection, which are deferred amounts on the borrowers, some of them are not due for payment and some are due but not paid.

And if there is any difference, it will be examined, and any item of these three items can be calculated in terms of the other items as completion, as follows:

- The balance of the benevolent loan funding
Deducted from it:
- The balance of the benevolent loan fund account
on the bank statement
The total benevolent loan installments

And this total must match the list of the benevolent loan installments under collection or the borrowers' balances.

5. Following up on the checks due but not paid and referring some to the Legal Department - after the approval of the committee.

6. Sending out notices to the borrowers (who are irregular in payment) and guarantors on the tenth day of every month.

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7. Recording the check issued in the manager's checks register immediately after issuing the check.

8. Cash revenues. The installments value are accepted in cash, if the outstanding installments are not paid through deducting from the borrower's account or for the borrowers who don't have accounts with Dubai Islamic Bank.

9. The postponement of installments: sometimes, the borrower submits a request for postponing one or more installments because of particular circumstances. After the committee or its reporter's approval, the installments which are not yet due based on this postponement are rescheduled. This is done by a program on the computer.

10. If the installment is payable, it will be checked automatically on the borrower's account on a daily basis. After a month without collecting the installment, the computer will deduct from the guarantor's account and both will be notified that the installment was not paid on time and the deduction will be deducted from the guarantor's account.

It should be noted that the benevolent loan fund has the following:

- 1- An administrative committee that gives approval for payment. It was established by decision of the Chairman of the Board of Directors on the basis of section VI of the Basic System, responsible for the approval process for cashing.
- 2- Regulations for organizing the work.
- 3- Is subject to the supervision of the Sharia supervisor administratively.
- 4- This fund has been established pursuant to article Number 71 of the Bank Basic System
- 5- A service fund that does not receive any expenses and profits.

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Charity tax Fund

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B. Charity tax fund:

The charity tax fund was established under section VI of the Bank Basic System (paragraphs 72-73) to collect the charity tax and disburse it to those who deserve it. This fund is managed by a committee formed by the decision of the Board of Directors of the Bank, and has all necessary authority to do its work.

- Charity tax fund work steps:
 - Giving the charity tax applications to the individuals and organization applicants and receiving the filled applications again from the applicant.
 - Social research, since some of the applicants' circumstances require a field visit of the situation and taking notes according to form Number 6 of charity tax.
 - Submitting the request to the committee; the sessions are held periodically or as needed.
 - Contacting those who are deserving and disbursing to them; the relevant employee contacts those who are deserving for them to appear and receive a check issued in their name. Sometimes, the deserving person collects the cash from the cashier's department. At other times, the amount decided on is transferred by postal transfer, a bank check issued on behalf of the deserving person upon his request, or delivered by one of the committee members, or one who the committee entrusts, to his location. This happens most of the time with the external\ foreign charities or modest families.
 - The donations: the fund employee issues a receipt for the charity tax and gives it to the donor. The amount is entered into the account of the fund in the Bank. Depositor and shareholder authorizations are accepted to deduct a specific amount from their accounts or by calculating the charity tax from their accounts and shares and deducting it according to form charity tax Number 3 for customers and charity tax form Number 4 for shareholders.
 - The calculations: include the book total used in the charity tax fund to show the deposit and withdrawal activity, for example the deserving individuals register, the deserving organizations register and the issued checks register which tracks the issued checks activity.
 - Charity tax fund budget: every month, the fund calculates the disbursed amount for individuals and organizations and reviews the fund account statement in the Bank. At the end of every three months, the fund employee does a quarterly budget for the fund that contains the revenue included the balance located in the fund account in the bank and the cash deposits within this period, and it contains the expenses for the deserving individuals and charitable institutions.

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Islamic Economics Research

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Islamic Economics Research

The Importance of Islamic Economics Research:

Preparing Sharia and economic studies and research concerning bank activities, working to support the bank's cultural and media roles by attending local and foreign Islamic conferences and forums. The department also helps the researchers by providing them with what they need to prepare research, studies, and master's theses and doctoral dissertations.

In addition, the department prepares Sharia and economic studies related to the senior management. The department's role is not limited, but is constantly renewed based on what benefits the work and the needs of senior management. It can be summarized as follows:

First: The Economic Research:

1. Economic research is carried out upon the request of the management or as a request of the Chairman of the Board of Directors to represent the Bank in jurisprudence forums or scientific conferences dealing with economic issues or proposals that serve Islamic banks progress and support its activities.
2. The topic of research is determined by the Chairman of the Board of Directors or by choosing from cases suggested for research in the field of Islamic banks or topics that will be discussed in a conference or forum.
3. The purpose of the research is determined and its plan approved by the Chairman of the Board of Directors.
4. Explanatory memoranda about the Bank activities and its role among other economic sectors or Islamic banks, a report about its contribution to the economic growth rates, explaining the investment formulas provided by the Bank etc. whether necessitating publication in periodicals, discussing them in forums or in research groups.

Publications of Islamic Economic Research:

1. The Department has published many economic research projects and studies while participating in local and foreign conferences, including:

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1. [illegible] the environment to complete the application of Sharia in the field of economics
2. Investment Prospects in the UAE
3. The role of Islamic Banks in Development
4. The Role of Banking Sector within Islamic Economics
5. Commercial transaction sales
6. Techniques of Islamic Banks in propagating Islam
7. A Proposed Formula for an Islamic Insurance and Reinsurance Company
8. Investment Prospects Forum in the UAE
9. Cooperation in the shadow of Islam is the to Developing the Society
10. Islamic Banks are Necessary for Social Development.
11. Islamic Opinions and Sharia Supervision in Islamic Banks
12. Conceptualizing the Work of branches of the International Union of Islamic Banks
13. Which is safer for central banks, Islamic Banking or the Traditional System?
14. The Definition of a Bank.
15. Religious opinions about Sharia-compliance of banking activities
16. Man is the Basis of the Islamic Program of Economic Development.
17. A call for all Muslims
18. A Journey of Giving
19. Banking and Investment Activities in Light of Islamic Sharia
20. The Nature of the Bank in the shadow of Capitalist and Socialist Systems
21. Islamic Banks are a Necessity for Economic and Social Development.
22. Investment Fund and Islamic Securities Project
23. The Islamic Banking System is a Cooperative System.
24. Cooperation under Islam is the Key to the Social Development.

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2. The department publishes the Islamic Economics magazine, a monthly magazine discussing topics connected with Religious Sharia opinions, Islamic world news, economic studies and other topics related to thought, opinion, local economic indicators, meetings, and investigations.

Second: The Bank Library:

1- A private library for the Bank, staff, Sharia supervision, Islamic Economics Research Department and the Islamic Economics magazine.

2- Any researcher, scientific student or any bank employee is allowed to peruse the library.

3- No general borrowing is permitted.

4- The library contains a collection of scientific references and books, especially Islamic jurisprudence, economics and Islamic banks.

5- The library has organized and arranged its contents according to topics so that every branch of knowledge has a specific place. There is a place for Islamic jurisprudence reference works, another place for Islamic Economics and another for Purified Islamic Traditions References ... as follows:

1- Doctrine

2- Qur'anic Sciences

3- Purified Islamic Traditions Science

4- Islamic jurisprudence

5- Islamic Economics Science

6- Banks

7- Research

8- Miscellaneous and Culture.

9- A Visual and Audio Library

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The Islamic Economics Magazine

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The Islamic Economics Magazine

1. The first edition was published in September 1981. It was established by Al-Haj Saeed Lootah, the chairman of board of directors of Dubai Islamic Bank, and it is published by the Islamic Economic Research Department to:

- Spread Islamic economic thinking.
- Promote Islamic banking work and increase the awareness of Islamic banking.
- Be concerned with matters of Islamic propagation, which serves all Muslims.
- Defend against criticism of Islamic banks and foundations and their work, and spread religious opinions, jurisprudence and economic research and studies in this field.
- A working team runs the work of the magazine; every individual does work that integrates with others. The foremost of those responsible is the Chairman of the Board of Directors, he directed forming a supervisory committee for The Islamic Economics magazine and all aspects of the work related to it, with the membership of:

Ubaid Nasser Lootah	member
Ahmed Faiz Hamid	member
Mohammad Abdul Hakim Zuhayr	member and reporter

- The committee was authorized to achieve the goals of the Islamic Economic Magazine and follow the necessary policies to execute them under administrative decision Number 43\1993 on 4/13\1993.

2- The committee performs its duties according to executive regulations included in the resolution of its formation. The executive regulation of the abovementioned administrative resolution determines the committee's specialties, authority and range of supervision as follows:

First: General supervision on the Magazine including:

1. Review and approve the chapters of every issue and approve topics contained in the issue before publication.
2. Publish or forbid publication of any text that violates the Magazine's policy before printing.
3. Approve advertisements before publication to verify that they are not in opposition to the Magazine's advertising objectives and policies .
4. Examine and enter into contracts submitted by the third parties and all entities related to the work of the Magazine including distributors, collaborators, reporters, journalists, writers, and advertising companies.
5. Enter into any contract with third parties with respect to printing the magazine, queuing it, correcting it, distributing it, promoting it, or advertising in it.

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Editing Manager (Personal responsible for editing)

Is specialized in the following tasks:

1. Receiving the incoming journalistic materials from local journalists, correspondents, delegates, authors, etc., and reviewing them. Reviewing them.
2. Choosing headlines, topics, paragraphs and subtitles of topics to be printed in the magazine in conformity with the applicable journalistic norms, which are not in opposition to the direction, goals, and policies of the magazine.
3. Choosing the photographs that accompany each topic, to be published with it, to express the general meaning of the article or news without violating customary Islamic values and morals.
4. Directing correspondents, collaborators, and local journalists to prepare the necessary topics in a manner and method that first serves the topic, and second, the goals of the magazine.
5. Supervising the work of the magazine production machines, font sizes, and technical execution of its pages, instructing the person responsible for typesetting the magazine on the computer to execute that.
6. Continual consulting with the Editor-in-chief to agree on the final form and layout of the topics and the magazine before publishing.

Third: Editing:

1. Journalistic materials are received from local journalists and external correspondents from Egypt, Qatar, Bahrain, Saudi Arabia, Algeria, Morocco, etc. In addition, scholars' writings and articles are delivered by mail or by hand. Also received are readers' participation in the area called thought and opinion.
2. These press items are shown to the editor-in-chief to choose what is most appropriate for the magazine and its policy, excluding those that do not agree with Sharia rules or [illegible] or that which is against customs, traditions, and norms. Receiving what agrees with the general objectives for Islamic Economy Magazine that were previously mentioned.
3. Show the materials chosen a second time to the editing manager. Usually reviewing them according to the goals and policy of the magazine.
4. Starting the pre-review, which is review that is done before typesetting on the computer. The editor shall correct the linguistic and typographical errors (In printed items) as well as meticulously crossing out any expression or sentence inappropriate or unsuitable for the general atmosphere of the magazine as a specialized Islamic periodical.

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9. After the review by the magazine's editing department, the magazine is shown to the editor-in-chief to review it, with the photographs and overall format of the magazine. He makes any changes in the format or content. While this is happening, the producer prepares a table of contents for the magazine, the cover, prepares the advertisements, and numbers the pages.
10. The table of contents, cover page and ads are shown to the editor-in-chief and the supervising committee of the Islamic Economics magazine.
11. The final stage in the magazine is setting the colors. This is an integral part in making the magazine and it highlights the personality of the magazine. The technical department then sends the magazine for printing, following up on the stages of printing to be on top of and solve any obstacles or problems in printing.

Fourth: Review

Review is an ongoing operation in each stage of the issue, but the final review is the most important. It is followed by typesetting the table of contents and the cover design. It is a comprehensive, objective review for the materials of each issue compared to the fundamentals, which includes the following:

1. Comprehensive reviewing for headings as a whole and reconsidering some of them, to choose what is most appropriate for the topic and most expressive of the policy of magazine to be used.
2. Eliminating what is in opposition to the policy of the magazine, any incorrect expressions or information, whether they are Sharia, legal or economic.
3. Checking the production of verses, traditions, and excluding any unclear expressions, repetition or unnecessary addition.
4. Reviewing the issue's plan, which the producer designed to view the general framework of the issue, to add, alter or the remove certain items.

Fifth: Implementation

The Implementation stage includes the following:

1. Rectifying errors resulting from the correction operation followed by a review.
2. Executing the journalistic production of the issue on the computer.
3. Technical designs of the magazine, whether for advertisements, cover, illustrations or charts, and generally the final format for each page.
4. Specifying sizing and places of photographs, and in fact, every text or journalistic item.
5. Defining lines and fonts for the headlines, columns and texts in general. All the above is done on the computer.

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Specifying the colors manually before delivering the issue in its final form for printing, so it can be run on the printing machines and printed.

6. Thereafter the stage for receiving the printed issue starts, and the system of work continues.

Administrative Department – Distribution

- During the final stage before printing, the administrative department will prepare the cover in which the magazine will be sent to the subscriber, based on the list of names of the subscribers to the magazine. Also, statements of names of individuals and bloggers in the category of gifts, will be prepared to be sent to them no later than the first or the beginning of each [illegible] month, which is the monthly data of the issuance of the magazine.
- Contacting distribution companies responsible for receiving the issues and doing their work, one after another, to ensure that the magazine is in book stores and markets at an appropriate time. We are careful that the distribution company takes its portion of the issues directly from the printer to save time and effort. The Administrative Department stays in contact with the printer and distribution companies, and answers inquiries of subscriber and readers.
- Upon arrival of magazine from the printer, the shipping procedures of the issues allocated to every country and the procedures of sending the allocated issues to subscribers in UAE and foreign countries begins.

Accounts:

When the new issue of the magazine becomes a reality, the Accounts Department starts calculating remunerations of writers, correspondents and collaborators with the magazine. Also, the Accounts Department receives the advertisements and calculates the amount to be collected in cooperation with the person in charge of advertisements in the companies and the advertising agencies.

Briefly, the accounts work is done as follows:

1. Writing receipts for the incoming amounts for subscriptions.
2. Writing receipts for the incoming amounts for sales of magazines and volumes.
3. Writing receipts for the incoming amounts for advertisements.
4. Writing invoices for subscriptions, sales of magazine, and advertisements of institutions, agencies, and distribution companies.
5. Making daily entries of the magazine's revenues attached with receipts, importation [illegible] and copies of checks deposits to the safe.
6. Saving copies of deferred invoices in a special file.

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7. Following-up the unpaid invoices.
8. Monthly statement for magazine's revenues.
9. Monthly statement for magazine's expenses.
10. Trial balance.

Magazine Archive:

The archive is considered the documentary memory of the magazine. It is indispensable for the editor, producer, and researcher. It includes the following:

- The photo:
Since the photograph has a tremendous importance, plans have been made on a short- and long-term basis to make an integrated archive that would contribute directly to the magazine's success. To do the archiving so that any photograph can easily be retrieved, as well as any new photos inserted, the following stages are followed:
- Photographs from multiple resources such as (magazines, newspapers and photographers) are collected and compiled, then cut out of magazines or newspapers and pasted on papers to protect them. Personal photographs are separated from other photos.
- The photographs are categorized, sorted and arranged alphabetically.
- The personal photographs of each personality are placed in an envelope separately under a serial number and are registered in a registry for personal photographs with the same number registered on such an envelope as per the alphabetic arrangement of the photo.
- Each letter will have serial numbers starting from one to infinity.
- As for names which have last names, the photo is put according to the first letter of the last name. The full name is also registered according to the first letter of the beginning of the name, noting that "refer to last name" will be written beside the name in the names registry, subsequently, this will facilitate retrieving the photo easily according to either the last name or the full name.
- As for the other general photos, they are gathered and sorted alphabetically and registered in a separate registry. Each letter shall have groups, and each group shall have a special file such as: education, economy, famines, wars, resources and mountains, municipalities, forests, seas, gasoline, agriculture, industry...etc. Any new photo can easily be added and such new photograph can be retrieved easily through the photos registry.

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Department of Administrative Affairs

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Department of Administrative Affairs

Department of Administrative Affairs does the following work:

1. Follow up on the implementation of plans made by those responsible in the Bank concerning workforce needs.
2. Review the employment applications authorized by those responsible, and make sure that such applications meet the needed conditions.
3. Advertise in newspapers and magazines about vacancies in the Bank.
4. Arrange the time of interviews necessary to select the candidates for positions, and fix the date and time of technical and Sharia tests.
5. Keep the applications and test results available for reference when necessary, and notify the candidates of the position and apologize to those who are determined to be unqualified for the position that they are not offered a position.
6. Prepare written job offers for candidates including employment conditions after being authorized by those responsible in the Bank.
7. Obtain work visas or transfer of sponsorship, and adjust the status of those who are chosen for the positions.
8. Prepare the files of staff including photocopies of documents, job offer, and letter of appointment, passport photocopy of the employee's, family members' passports if they reside with him.
9. Develop induction and training programs for new employees, to familiarize and train them in the Bank's departments.
10. Show reports on the new employee or trainee to those responsible, so that they can take the required action in terms of assigning them to a level or deciding that they are not fit to work in the Bank, based on the report of the head of department directly over them.
11. Renew and amend the work contracts in compliance with labor regulations imposed by the relevant agencies, viz. The Labor Office, the Citizenship Office, etc.
12. Keep the employees' passports, copies of their work contracts, copies of labor cards, as part of the procedures followed by the Department. These may only be given to the employee upon travelling on leave or if needed to

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to complete official procedures. Such passports are kept in a safety deposit box as the responsibility of the passport employee of the Department of Administrative Affairs throughout the term of work of the employee in the service of the bank.

13. Taking measures regarding absence, work stoppage, and full compliance with the formal working hours according to the rewards/punishment regulations.
14. Ensuring that the employees get their allowances for accommodation and furniture, transportation, flight tickets, other bonuses and allowances, and health insurance, since the Department of Administrative Affairs is to provide the abovementioned allowances when they are due.
15. Paying employees' salaries via transfers to their personal accounts in the Bank.
16. Following up registries and employee data and submitting the reports to the bank's administration for any violations or infringements in this regard.
17. Providing reports of job evaluation to the Employee Affairs Committee for review for the purpose of promotions and salary adjustments, that is, appropriate decisions regarding the employees.
18. Sending approved training applications to the Banking Training Institute, and then receiving the response from the training institutes, and notifying the employee.
19. Collect attendance and departure registers for the employees at times designated for that. Daily instances of lateness and absence are tracked and relevant measures taken. An employee is deemed to be late if he/she appears in the work place up to 10 minutes after the formal time. If such delay is repeated the offender is subject to penalties against the employee in accordance with provisions of the employee affairs regulations.
20. Issue administrative resolutions and general administrative memos related to organizational aspects to all departments and branches of the Bank as per the directives of the Management as well as for public holidays, religious feasts, etc.
21. Following up implementation of annual leave and air tickets for employees.
22. Monitoring sick leave and unjustified absence for employees and following suitable procedures .
23. Develop and follow up on the procedures for pilgrimage leave, maternity and childbirth, and study leave.

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24. Taking actions on termination of services at the end of the employment contract period of employees, and procedures for terminating the service due to resignation.
25. Gathering topics which need to be shown to the Employee Affairs Committee for consideration and distributing the agenda of these topics to the committee members before the meeting.
26. Attending meetings of the Employee Affairs Committee regarding employment or employee job evaluations; the Administrative Affairs Department is entrusted to the secretary of the committee; and subsequently instructions and recommendations issued by the committee are implemented.
27. Taking part in the investigation committee with an employee in case of violations that call for that.
28. Preparing the employee's services file, which contains various documents connected with the employee from the date of appointment until the date of termination.
29. Entering the employee's data on the computer in the department. These data pertain to the basic salary – branch – rank of the employee – occupational title – date of appointment in addition to some other data such as:
 - Entering data on allowances received by the employee in addition to his basic salary, organized in order according to importance of the allowance.
 - Entering data on academic qualifications according to scientific level and specialty, and date received.
 - Entering data on each employee's previous work experience based on the experience certificates submitted at the time of appointment.
 - Entering data of the employee's family residing with him in the country to determine eligibility for air tickets, leaves and health insurance.
30. Issuing letters "to whom it may concern" and salary certificates for the employees to simplify procedures for employees in official government offices within the country; the original copy is given to the person requesting the certificate, and a copy is kept in a special file for administrative certificates.
31. Any other procedures that need to be implemented as delegated by the administration.

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Other Works of the Administrative Affairs Department:

- 1- Following up on maintenance procedures on the Bank's buildings, equipment and furniture and fixing malfunctions by contracting with specialized companies.
- 2- Providing furniture purchases for all bank departments after getting authorization from the administration.
- 3- Entering into a contract with cleaning companies to ensure the cleanliness of the Bank.
- 4- Supervising public relations, preparing to hold general and public meetings, and meetings of the board of directors, and arranging to welcome the bank's guests.
- 5- Supervising the Bank's archive unit, which contains documents of the Bank since its establishment and up to now.
- 6- Providing internal and external outgoing mail services as well as incoming internal and external mail.
- 7- Monitoring telex and fax services for current business transactions conducted between the Bank and other agencies it deals with.
- 8- Supervising services pertaining to providing clean water, providing working electricity in the Bank, and providing a competent technician to fix breakdowns.
- 9- Monitoring bank guard and garage services in the morning and evening periods.
- 10- Monitoring the parking spaces at the Bank, providing means of transportation and other services for the various bank branches.
- 11- Doing an annual inventory of the Bank's contents, whether furniture to devices, based on instructions of the administration at the end of the fiscal year.

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Industrial Projects Department

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Industrial Projects Department

Description of Tasks and Duties

- 1- Supervise all projects to which the Bank contributes capital, and follow up on the development of such projects to guarantee the Bank's rights and to achieve the desired goals of these contributions.
- 2- Prepare economic feasibility studies or review the studies made by external third parties regarding establishing new projects.
- 3- Take the necessary actions and measures to establish projects approved by the Bank in cooperation with other related departments. This includes contacting the governmental authorities concerned with licensing or advisory bodies or manufacturers, etc.
- 4- Participate in management committees or boards of directors of companies to which the Bank contributes, as agreed upon and to ensure that the Bank is represented at a level that is appropriate to its contribution to the project.
- 5- Perform field visits to projects to ensure the proper functioning of all administrative, productivity, and financial, etc. aspects of work. Visit similar firms and machinery manufacturers to keep abreast of the latest developments in the cases where the Bank contributes.
- 6- Maintain organized files for all projects to which the Bank contributes. Supervise the correspondence related to such projects.
- 7- Submit periodic reports to the Bank's Management on the progress of work, profitability of the projects, percentage of contribution, technical status of the project in question, and market conditions as well as other information necessary to evaluate the extent of investment success.
- 8- Perform any other related tasks assigned by Bank Management.

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Credit Department

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Credit Department

Tasks and Duties of the Credit Department:

The Credit Department [carries out] the following tasks:

- 1- Propose and implement policies, systems, and procedures of the Bank connected with bank and credit facilities, economic feasibility studies for local and overseas projects in cooperation with the International Relations Department for which financing is requested in accordance with Islamic Sharia regulations.
- 2- Receive Bank customers who wish to obtain facilities exceeding the limits of the branches and respond to their questions and inquiries. Explain the principles, rules and regulations of financing, banking and credit facilities offered by the Bank to customers, complete their financing applications, and attach the necessary data and documents with such applications.
- 3- Receive applications from branches regarding granting credit facilities for customers, make recommendations on them, and pass them on to the Banking Facilities Committee of the Bank's Head Office for their decision on them.
- 4- Prepare the agenda of the Banking Facilities Committee according to the importance of the applications in terms of quality, and the benefit gained by the Bank and need for work as well.
- 5- Follow up on implementation of the resolutions of the Credit Facilities Committee of the Bank's Main Office regarding banking facilities provided to customers of the bank.
- 6- Prepare economic feasibility studies for projects submitted by customers for the purpose of financing. This includes study of the technical, legal, marketing, and financial aspects, guarantees provided for the project in collaboration with other branches, departments of the Bank, and financial and advisory institutions outside the bank.
- 7- Implement the instructions of the Risk Center of the Central Bank in terms of reporting on the indebtedness of customers, inquiring of the Center about the volume of the banking facilities for new customers

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and passing on the information and financial data received from the Risk Center to the Bank's management. Keep and digitize the data on the computer.

- 8- Submit regular, comprehensive and organized data and reports to the management and the Banking Facilities Committee on the financial situation of customers of the bank. This is based on an analysis and study of their financial positions, their balance sheets, the condition of the guarantees provided by them to the Bank, and the amount of their banking facilities with other banks. This includes the preparation of statements listing the names of customers and the extent of their commitment in dealing with the Bank, and the amount of their indebtedness, with a view to determine the Bank's position towards such facilities.
- 9- Study the local market, collect data and statistics related thereto with the aim of developing the volume of investment in the local market and rationalizing investment decisions.
- 10- Maintain files for all the Bank's customers. These files are sent to the department, and contain identity documents of the Customers that correspond to the file for opening the customer's account, the ceilings of the credit and banking facilities granted to him, and to what extent such facilities are utilized. Follow up on updating the data regularly.
- 11- Contribute to advertising and marketing campaigns for the investment activities and services of the Bank and issue and distribute brochures that provide information about the Bank and its objectives, type of facilities, activities and investments, in order to attract new customers and increase the volume of business in the local market, according to Islamic investment methods.
- 12- Propose and prepare the annual budget of the Department, and regularly prepare reports and statistical data on the volume of the activities and the work of the Department.
- 13- Coordinate with the Follow-up and Collection Department by following up on the facilities that are late or are having difficulties, and submit reports and suggestions on them to the Senior Management before transferring them to the Follow-up and Collection Department or the Bank's Legal Department; and follow up and periodically review the black list.
- 14- Follow up the Bank's branches to provide the Department with quarterly detailed statements providing an overall picture of all

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facilities granted to customers of branches.

15- Prepare and follow up the training courses of the Credit Department to develop the credit and technical capabilities of the employees of the Department.

16- Participate in the implementation of external financing operations in cooperation with the Investment and External Relations Department.

17- Cooperate with the computer Department by developing programs and periodic reports concerning the status of Bank's customers, the transactions of their accounts, their financial situations, and the situation of their guarantees with the Bank.

18- Implement the directives of the Central Bank and the external and internal auditors of the Bank about the situations of the Bank's customers.

- **Relationship of the Credit Department with other Departments of the Main Office:**

Senior[Management] of the Bank:

The Department provides the Bank's Senior Management and the members of the Facilities Committee with reports monthly or as needed, connected with the following:

- Customers' relationship with the Bank and their financial conditions, and the status of the transactions of their accounts with the Bank.
- Study the feasibility studies in the commercial field which are shown to Senior Management for their opinion.
- Reports and studies on how to develop the credit business Bank and make it a success at all levels: banking, marketing and training activities.
- Reports on the difficult and doubtful-to-be-collected debts, which need special follow-up by the Senior Management members.
- Statistics and studies on the economic and financial activity in the country, especially those related to the banking sector.

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**Study of the Application Form for Facilities at Dubai Islamic Bank:
(Appendix Number "2")**

[missing] Application:

[missing] Visit, Renewal.

[missing] Application:

[missing] Customer, account number, branch, date of application.

[missing] Facilities:

Facilities offered by Dubai Islamic Bank can be classified as follows:

- 1- Local commercial transactions to buy local goods and cars.
- 2- Local commercial transactions to buy real estate and land.
- 3- Manufacturing Finance for constructing residential buildings, villas, and warehouses.
- 4- Partnerships and speculations.
- 5- Documentary Letters of Credit, and foreign commercial transactions, which are divided into two categories: Documentary Letters of Credit on Sight & Documentary Letters of Credit on Acceptance.
- 6- Bank guarantees, which are divided into the following categories:
 - Initial Guarantees for entering tenders for commercial, construction, real estate, and industrial projects.
 - Performance Bonds.
 - Guarantees of in-advance payments.
 - Guarantees of maintenance or impounding.
 - Financial guarantees for the purchase of goods or clearance of goods through customs.
 - Financial guarantees issued to government agencies (commercial licenses and courts).

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[Guarantees]:

In legal terms, a [guarantee] means a guarantee of execution of a promise to pay the credit, (protecting from the danger of nonpayment [cut off] and allows him to receive his rights upon maturity. Giving guarantees beneficial for both parties in financing. [cut off] It gives the Creditor insurance that reduces the proportion of credit risk, so it provides [cut off] additional possibility for obtaining funding. This shows the importance of guarantees for financing. [cut off] Banks to devise banking principles, rules, customs and habits, such that [cut off] choice of guarantees of facilities, the importance increasing as the risks resulting from the volume of work increase.

Guarantees [are divided] into several types as already mentioned in the kinds of financing according to the type of guarantee [cut off: ... The legal] mentioned. The legal aspects of such guarantees is to be addressed in detail by the Legal Department.

[Information] about the Customer:

- **Incorporation of the Company:**
 - Legal Status: Individual / Normal public or limited company/ Public [or] Private joint stock company.
 - The date of incorporation, and the identification of developments occurring to the situations of the customers. That date [cut off], while indicating such customer's success or failure.
 - Names of the partners and the share and responsibility of each.
 - The names of the members of customer's Board of Directors and General Management.
- **Commercial Activity:**
 - Trade (Retail, wholesale), Industry or Services.
 - Status of the Customer's products on the market: Are they desirable? Seasonal? Fixed? Are they affected by demand due to market factors, market change, and the size of the market in which the customer operates?
 - Do the customers depend on trading in or manufacturing a specific kind, or on several kinds?

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- Do the customers depend on one customer or more? Customer's market share?
- Customer's policy of buying, selling and distribution. Consider the policy of payment and selling.
- Economic need for the product, service or goods provided by the customer.
- Competition in the market and the ability of the customer to meet such need; and the size of such need.
- Agencies and commercial brands promoted by the customer.
- **Management and Workforce:**
 - Quality of directors and their expertise in the field of the customer's activity.
 - Market and academic experience of the customer's management body.
 - The extent of harmony between the members of the customer's management.
 - Ownership shares of the customer's directors.
 - The number of the workforce and the details thereof: administrative staff and other workers.
 - Workforce expertise in the field of customer's activity.
 - Wages, salaries and benefits granted to employees.
 - Quality of the workforce and availability of workforce for the competition.
- **Sister / Related Companies:**
 - Does the customer have sister or related companies? To what extent are such companies linked to him in terms of their impact on the production, goods or services that represent the customer's activity?
 - The proportion of the contribution of the customer in these companies or the proportion of the contribution of these companies in the customer.
 - The customer's management relationship with the management of these companies.
 - Financing granted to the customer by these companies or financing granted by the customer to these companies.

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- The financial situation of these companies and their credit relationship with other banks.
- The relationship of these companies with the Bank itself.
- **Projects Executed:**
 - The projects which the Stakeholder executed or entered into, especially related to contractors, factories and service companies, are looked as their value, duration, project owners, dates of execution, proper execution by the customer, his commitment to hand them over at the proper time, and the reasons for the delay in delivery, if any.

- **Projects Still being Executed (and being visited):**

Checking on their value, duration, project owners, starting dates, completion dates, completion percentage, in order to know whether the customer will be able to deliver them on time or whether there will be delay. The extent of the affect of the delay on other work of the customer, as well as its impact on financing granted to him by the Bank. Whether he will need help from the Bank to complete it on time. Visiting it to check the actual work progress of the project and talking to the supervisors and workers who are at the workplaces. Contacting project owners to check their satisfaction with the work completed by the customer.

- **Projects to be entered into:**

Checking projects to be entered into, their duration, and owners to check the period of time the customer can enter into them, execute them, and the extent of his impact on the projects that are being carried out by the customer.

- **A brief account on the projects financed by the Bank and the completion percentage:**

To see the percentage of completion of such projects, the value of payments received from them, the late payments, the facilities granted for them, and how they are re-paid, and the relationship between completion and compliance with facilities repayment. Such reports are usually prepared by cooperation between the Credit Department and the Real Estate Projects Department.

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[cut off] the customer with the banks:

- a- The [Relation] of the customer with the Dubai Islamic Bank and his account activity:
 - [cut off] look at the current liabilities of the customer with the bank, the guarantees provided for them, and the customer's previous and current commitment in repayment. We should also look at the activity of his accounts with the Bank in addition to looking at the liabilities and account activity of the companies related to the customer at the Bank. This is in order to find out the volume of the customer's and his institutions' liabilities with the Bank. That is in order to identify the Bank's risk with the customer and in order to find out the volume of commercial business given by the customer and his institutions to the Bank and the profitability of this work to the Bank.
- b- The relation of the customer with other banks:
 - Messages and telexes are sent to other banks that the customer is dealing with in order to find out the quality of the relationship between this customer and the other banks and the relevant volume, strength and regularity of this relationship.
- c- The facilities that the customer has with all banks according to the Risk Center report of the Central Bank
 - Inquiry should be made at the Risk Center of the Central Bank on the status of the customer's facilities with other banks before granting him facilities. This is in order to find out the magnitude, quality, and guarantees submitted in return for such facilities to specify its volume in relation to the customers' financial position.
- d- The customer's financial position:
 - This item will be clarified later on upon studying the analysis of financial reports
- e- Conclusion and recommendation:
 - The methods of recommendations and approvals differ from one bank to the other. There are banks that depend on assessing the qualities and capacities of the customer and those doing the work. Other banks depend on analyzing the accounting and financial situation. Other banks depend on the loan value and the guarantees and how

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[cut off] qualities of the customer and those doing the work. This is known as the "five C's":

- The borrower's [behavior]: Character of Borrower

The Bank must accurately know its customer by collecting the largest amount of information possible, such as his behavior toward others, his reputation, and his righteousness. It is not normal, for instance, to provide financing to a customer who habitually goes to gambling clubs.

- Ability of the Borrower: Capacity of Borrower

The administrative ability and experience of the customer and the qualities of his helpers are evidence of his success in the past and the possibility to continue it in the future.

- The Customer's Capital and Resources: Capital Resources

The customer's capital is his financial strength. In addition, the net value of his rights net worth will help assess the customer's situation and the possibility of granting him financing.

- Guarantees: Collateral

Collateral is the safety valve against the risks that the Bank may face as a result of the difficult situations of the customer. So collateral is a guarantee of protecting the bank's rights as a recourse in case of the customer's inability (to pay). Therefore, the guarantee should be easily marketable and its value easily transferred and maintained.

- Economic conditions:

The economic conditions such as an active market or stagnation affect the business environment in general and this requires that credit employees track the general economic circumstances and conditions in the customer's sector specifically before giving him facilities. For example, examining the availability of large storage of iron and cement in the country and if there is stagnation in its internal or external disposition with new demand for iron for an iron or cement factory.

- The political developments of the country where financing will be extended, from where the commodity will be bought, or where the project will be executed should also be taken into consideration. As all these conditions will have a direct or indirect effect on the business and the overall stability in such a country.

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...Without referring to the management in the branch or in the headquarters according to the nature of their authority.

- To that end, the Bank will analyze the financial data of the customer regularly and will monitor his [work] to know the customer's profitability from such business and compare it to the Bank's profitability from him. The results of such [analysis?] will be changing the Bank's position towards the customer, either by increasing the facilities ceiling [cut off] along with the accompanying guarantees or not increasing the ceilings or cancelling them.
- [Debts] of doubtful collectability and formation of reserves:
[cut off] situation of the customer during the financing period and if it is difficult for him to repay. [the Bank has to] closely monitor the customer's situation and identify the reasons for his loss so as to increase [cut off] . If this is not possible, the Bank shall form reserves to cover the expected loss [cut off] the legal status of the customer to collect the liabilities he has incurred and provide him with alternatives on how to repay [the obligations] to the Bank including:
 - 1- Rescheduling the debt for a longer term with affordable installments.
 - 2- Helping him find other financing sources that benefit from the institution's continuity.
 - 3- Selling guarantees and repayment of the loan while halting the profits and writing off part of the debt capital.
 - 4- Granting new additional financing to straighten out the customer, if the Bank's management is confident that the debtor's position is good and there is a potential for its improvement.
 - 5- Selling the debt to other institutions or banks.
 - 6- Total liquidation of the institution, selling its assets and repayment of obligations.

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Analysis of financial reports

Credit is basically [analyzed] through verifying the sources of income available for the customer and his ability to pay [on] time, the credit analyst may benefit from analyzing the financial reports of the customer's [historical] data and explaining them in a way that provides some indicators to help in the [credit] decision.

[cut off] analysis of the trend of the of the different items of these reports and the use of percentages and financial indicators to judge the project [efficiency] and assess the customer's expected profitability. The customer's financial positions [is considered] one of the basic elements that help minimize the expected risks, especially those resulting from non-[repayment].

Financial analysis can be done by using a group of methods, the most important of which are:

- 1- Comparative analysis of financial reports.
- 2- Financial percentages.
- 3- Measuring the cash flows expected for the customer.

[cut off] : Comparative analysis of financial reports:

Comparative Public Balance sheet:

The effects of the firm's activity are reflected on its public balance sheet through increase and decrease in the different elements of assets, liabilities, and equity. Such changes could be observed through by comparing the public balance sheets at the beginning and end of a specific period of time. Such remarks usually provide a group of important observations that are of great value in forming an opinion about the firm's development and progress. In order to do such comparisons, [Illegible] comparative balance sheets are prepared. It is known that public balance sheets show assets and liabilities

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on a certain date. Comparative public balance sheets show this information on two dates [or] more. This is the trend used by most of corporations upon publishing its balance sheets [cut off].

[cut off] that happen in the different items of the public balance sheets during an accounting period are the result of different [cut off] including:

- Profits and loss.
- Purchase or sale of assets or the relevant amortization
- Increase of liabilities or repayment of some of them.
- Increase of capital or decreasing it.

[Analysis of] the comparative public balance sheet is a study of the trend of the same elements, or a group of [elements] in two or more public balance sheets for the same firm on different dates. This is in addition to studying [cut off] the calculated percentages of these figures on different dates. The great importance of comparative [analysis] is manifested in its ability to view the different trends for each aspect of the firm [cut off] this firm as one unit.

[Increase] or decrease in the form of percentages:

From the above, it seems that it is better to change the amount of increase or decrease in each item of the public balance sheet from Dirhams to percentage. This percentage is calculated by dividing the amount of decrease or increase in each account or item in the public balance sheet over to the value of this item in the base year.

After finishing the preparations of the comparative public balance sheet and calculating the changes in Dirhams and percentages, the analyst addresses each of the changes separately and shall address some of them with each other if there is a direct relation between them, in order to identify the reasons for the changes, to see if this is desirable or not.

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[cut off] Comparative public balance sheets in percentage (the 100% list)

There is another tool to study the public balance sheets and it changes; it is through calculating the percentage of each asset to the total assets and each element of liabilities and capital to the total assets and capital. The origin of this list is called "the comparative public balance sheet in percentages." It is sometimes called the 100% list, as the total assets, the total liabilities, and the capital are 100%. This shows the relative importance of each item in the public balance sheet and the developments in it from one year to the other.

Horizontal analysis and vertical analysis:

The comparative public balance sheet can be analyzed horizontally and vertically. The horizontal analysis includes studying the behavior of each of its items i.e. getting to know the increase or decrease in the item over time. This type of analysis is dynamic as it shows the changes that have happened. With regards to the vertical analysis, it includes examining the quantitative relations between the elements in a certain date and thus the analysis is fixed and stable.

Both types of analysis – the horizontal and the vertical – are the basis of the modern financial analysis and there is no conflict between them as each one of them provides a certain type of information. Therefore, they should be used together in order to get a complete financial analysis. In addition, just calculating the percentage is not enough as the analyst uses such percentage as indicators of their explanation.

B- Comparative profit and loss report:

The profit and loss report shows the net profit and loss, the profit and loss resulting from the firm's operation during a certain period and normally it is an accounting year. With regards to the comparative profit and loss account, it shows the operations results for a number of accounting periods. The changes that take place in the elements of the report from one year to the next can be shown in Dirhams or in percentages according to the previous method used in preparing the comparative balance sheets.

Second: Different financial percentages

Financial analysis through financial percentages is considered one of the most important and oldest means of analysis used in studying

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the financial and credit position of the projects and judging the results of their work. Adopting the method of percentage [financial] analysis on the basis that examining any number in the financial reports does not indicate [anything] in and of itself, and does not provide useful information unless it is compared with other numbers.

Accordingly, the firm will be in a sound financial position if there is an appropriate ratio between the different types of assets and liabilities and between the different types of expenses and revenues. This ratio differs over time and according to the nature of the project. Accordingly, the trends and should be followed and changes happening in the financial position of the firm monitored over time. In other words, the percentages compared from one year to the next. In addition, the relation between the assets and liabilities and revenues and expenses with corresponding elements in competitive projects should be done if possible.

Selecting financial percentages:

When analyzing the financial and credit position, we can use a large number of standards and different financial percentages which can be divided into a number of main groups, noting that selecting one of these groups and not the others depends on the desired goal of the analysis. For example, we can find that the creditor who grants short-term credit focuses his attention on the group of percentages that measures the current position of the debtor. This is due to the nature of the short-term loan and its amount, which could be relatively larger than the internal cash flow due to revenues. Thus, profitability becomes less important than the debtor's current assets. On the contrary, the creditor who grants long-term loans focuses his attention on the revenue power of the debtor instead of focusing on the assets submitted as collateral. Previous and current revenues affect the estimates of future revenues, which is the focus of investor who provides money to the firm as a long-term loan.

From the above, it becomes clear to us that there are logical reasons that require the use of a certain type of financial percentages when analyzing a certain number. In addition, the types of [illegible] data and information sometimes specify the type of analysis. For example, the financial manager can get all the figures and information related to the firm's internal operations. This cannot be acquired through external analysis.

The financial manager may find, upon doing the analysis, that it is better to study the different facets

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of the firm separately, as the result of each analysis is used for different purposes by different [cut off] of administrators within the firm. For example, we notice that the firm's senior management in general [cut off] detailed analysis, as their purpose requires the analysis to be [cut off] in a way that shows the total activity. But a financial manager may be interested in the firm's liquidity status [cut off] the modified analysis he uses shows movement of working capital through the [cut off] operations.

[In spite of] the diversity of the many financial analysis methods, the financial ratios can be classified according to the main [cut off...groups] explained below:

[cut off] liquidity

this group of ratios is [cut off] into analysis and assessment of the working capital position and identifying [cut off] dealing with its elements. The basic purpose of analysis is to judge the ability of the firm to meet its current [obligations] from its cash assets and quasi-cash assets or from the cash flows resulting from [cut off...cash] sales and collecting receivable debts. Hence, it is necessary to maintain sufficient amounts of quickly-marketable assets above the volume of short-term liabilities. The matter needs a [longer] period of time to collect the debts and transfer the inventory into cash.

The first step in this stage aims at studying the net working capital, which is the difference between total marketable assets and the total short-term liabilities.

[(cut off] trading percentage:

It is an expression for the percentage of marketable assets to short-term liabilities. These percentages are the oldest and most widely-used percentages. It is used to measure the ability of the project to meet its current obligations quickly and without difficulty.

It became customary to consider 2:1 as the ideal trading percentage, but it is wrong to use this minimum limit to judge the adequacy of the working capital without studying the firm's case, as the amount of the working capital and the trading percentage depend on a number of different factors. It is not strange to find a certain firm that has this ideal percentage;, yet is in a state of lack

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and therefore we cannot set a certain trading percentage and consider it to be an ideal percentage for all types of [cut off ... projects] .

Comparing the firm's ability to meet its current liabilities sometimes assumes that the firm that [cut off] a larger amount of net working capital has more liquidity and thus greater ability [cut off]. But assumptions like this often is far from correct as measuring the liquidity is [cut off] relation between the marketable assets. The amount of working capital is not the measure of ability to [meet] the current liabilities.

Trading percentage = $\frac{\text{Marketable assets}}{\text{Marketable liabilities}} = 2:1$

Liquidity percentage:

This is the percentage between quickly marketable assets to marketable liabilities and in order to reach this percentage we have to divide the marketable assets into two types:

- Quickly marketable assets: such as cash, short-term investment and short term debts.
- Other marketable assets such as commodity inventory.

The percentage of 1:1 is the lowest model percentage to judge the current position of a project but there is no specific percentage that could be used as an ideal percentage.

Liquidity percentage = $\frac{\text{Quick assets}}{\text{Marketable liabilities}}$

Liquidity percentage = $\frac{\text{Marketable assets} - \text{commodity inventory}}{\text{Marketable liabilities}} = 1:1$

3-Proportionate distribution of marketable assets elements:

In order to get this distribution, each marketable asset is transferred into a percentage of the total marketable assets. In this way, the relative importance of each asset is shown.

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[cut off] This distribution is complementary to the previously discussed financial ratios. As things remain [cut off] as they are, the firm's ability to meet its short-term liabilities increases is easier [cut off] the higher the percentage of its fast moving assets it owns. Therefore, each [element] is examined separately as regards quality, and how quickly-disposable it is by transferring it into cash to meet the firm's urgent liabilities, and to make comparisons between these assets, the firm's assets [in] the previous years, and the extent of the impact of the increase or decrease in the firm's marketable assets. This is since [cut off] in the case of receivable debts, the terms and durations of collecting these debts are studied, as well as the firm's [credit] policy in selling in order to know how to arrange paying third-party obligations. [Similarly,] in case of commodities, they are studied to know which commodity went to the firm's warehouses first and what is the firm's policy in disposing of and sending out its inventory (LIFO or FIFO) and also [the] commodity's turnover in the warehouses.

Capital percentage

The percentage of this group [cut off] the contribution of owners and creditors in financing a project. If owners have contributed a small portion in the total financing of the firm, then most of the risks are borne by the creditors [cut off] the project owners to borrow in order to fund operations grants them the privilege of control over the firm [with the least] possible investment, thus it is called "ownership trading." If succeeds, this will lead to the increase in the profit gotten by the owners.

[cut off] : Percentage of borrowing to equity:

This percentage measures the firm's liabilities toward its creditors and its relation to the money provided by the owners. Borrowing means short-term liabilities as well as medium- and long-term loans. Equity means paid capital, capital reserves and retained profits in addition to all the allocations that represent retained earnings.

Creditors prefer to deal with an indebted firm that enjoys a moderate percentage of borrowing to equity, as the decrease in this percentage leads to increase in the protection enjoyed by creditors against the danger of loss in case of liquidation, and in general for the industrial companies. In general, creditors want contributions be no less than

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[cut off] in the project funds than half.

The ratio of borrowing to equity = $\frac{\text{borrowing}}{\text{equity}} = 1:1$

2. The [Ratio] of Short-term Liabilities to Equity:

This ratio [indicates] the relation between the amounts of finances provided by project owners and the amount of finances [that are] coming from short-term obligations. If owners do not invest sufficient funds [in] the project, the long-term sources of finances will be ready to be exposed [to risk]. Therefore, the company will be forced to a large extent to use short-term funding. Accordingly, then the ratio of short-term liabilities to equity will be great.

The ratio of short-term liabilities to equity = $\frac{\text{short-term liabilities}}{\text{equity}}$

3. The Ratio of Fixed Assets to equity:

This ratio indicates the extent to which the owner's funds are invested in assets of relatively low turnover rates. It helps the management specify the type of financing to be used in the future.

The ratio of fixed assets to equity = $\frac{\text{net fixed assets}}{\text{equity}}$

4. The Ratio of Current Assets to Borrowing:

This ratio indicates the relation between current assets and the total obligations of the company. The importance of this measure is that the payment of loans requires cash. Therefore, a company that has a high ratio of current assets to its total payables is in a better position than a firm that has a low rate. A company usually suffers huge losses when liquidating its fixed assets. This is the opposite of the case with the current assets.

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The ratio of current assets to borrowing = $\frac{\text{current assets}}{\text{borrowing}}$

5. Profitability Ratio:

The project's profitability is a result of several different policies being applied in all areas of the company. For such reason, several standards of profitability are used because any one standard can be largely influenced by industrial specifications or accounting methods used. Profits of operations and net profit must be measured in order to distinguish the results of operational policies and financial policies.

1. Analyzing the Items of Profit and loss Statement:

The easiest and simplest way to start analyzing the profits of a firm is to transfer the items of profit and loss statement into percentages of the basic sum, which is net sales.

2. The Ratio of Total Operational Profits to Sales:

This ratio involves measuring the efficiency of the management in dealing with the items of its sales. There is no ideal pattern that can be used to judge this ratio. Hence, it is necessary to make a comparison to the company ratios in previous years and as well as the ratios of other similar companies.

The ratio of total operational profits to net sales = $\frac{\text{total operations profits}}{\text{net sales}}$

3. The Ratio of Net Operational Profits to Sales:

This ratio is considered complementary to the above ratio, but it is not only concerned about the elements of sales cost, but also all elements of costs and expenses of the company to carry out its operations. It also indicates the decline of the unit sale price before the firm suffers losses. This ratio must be compared to ratios of previous years.

The ratio of net operational profits to net sales = $\frac{\text{net operation profits}}{\text{net sales}}$

4. The ratio of total operational profits to working assets:

This is one of the best ratios used to measure the profitability of operations. Profits which

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REAL ESTATE PROJECTS DEPARTMENT

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Real Estate Projects³ Department

Real Estate Department Responsibilities:

Real estate projects [cut off] the following activities:

- [Assessment of] properties that will be purchased by bank financing.
- [Assessment of] properties for real estate mortgage purposes.
- [Assessment of] projects of constructing buildings for manufacturing finance.
- Study and preparation of documents to complete project agreements authorized by the management to finance manufacturing finance operations.
- Supervision of the stages of executing manufacturing finance operations.

Assessment of Properties for Purchase/ Mortgage Purposes:

The Real estate projects department in the Main Office receives the requests of customers from different branches and requests referred to them by the Credit department in the Main Office accompanied by the required documents. Then, the engineer of the relevant department visits the site of real estate to be assessed to collect data to estimate the true price of land or the building constructed on such land separately. He gathers data and other details of the facilities whether they are: commercial – residential – industrial – the number commercial shops – the number of rooms - bathrooms- [illegible] - other features, which help in the assessment process - the property site- the surrounding roads and the other surrounding properties.

When assessing, the engineer takes into consideration the availability of services and the kind of the approved type buildings that are allowed on the land by the Municipality, current and the future developments, and the market value of land. The engineer acquires such data from reliable sources, without

³Original in English

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[exaggeration]. Such assessments may be recorded on a special form prepared particularly for this purpose in order to [submit] the assessment results to the Credit department or to the relevant branches to complete the necessary procedures. The responsibilities of the Real Estate Projects department end [upon] taking such a step.

[Assessment] of the Proposed Building Projects by Owners (Estimations for the Purpose of Manufacturing Finance):

The engineer specialized in real estate projects department shall follow procedures similar to the procedures [cut off] assessing properties for purchase or mortgage with some differences. The Real Estate [Projects] department receives the transactions for manufacturing finance accompanied with the required documents referred to him by [the] Credit department in the Headquarters or by the different branches of the bank. Then the relevant engineer pays a field visit [to] the site to be evaluated to assess the land and the cost of the building that is being proposed, the possible rental income to be obtained, and the economic feasibility of the project. In some cases, the customer requests financing to complete a villa or build a new one. In such cases, the specialized engineer records the details of previous completed works to estimate the costs of completing the proposed building. He then provides the necessary data to the credit department in the Main office or branches. Meanwhile, the Credit department submits that request to the Finance and Investment Committee with the recommendation of the department or some observations that may help in granting or rejecting credit facilitations. Upon the final approval from the facilitation committee to finance the manufacturing finance operation, and after informing the customer of the approval of financing by the bank and the bank's conditions, the manufacturing finance file is returned again to the real estate department, who then study and prepare the documents required to make the contracts in the Legal Department between the customer and the Dubai Islamic Bank, between the Contractor and the Bank, and the contract between the Bank and the Consultant.

3- Study of the project and preparing contract documents:

This operation starts by issuance of written instructions by the consultant engineer previously selected by the bank. The contractor is invited to submit a bid. The consultant of the customer may be authorized by the Real Estate Projects Department once his capabilities and competence are well-studied. The instructions issued by the Real Estate Projects Department regarding include the procedures required in submitting a bid, as the consultant is committed to submit the bid documents to the Real Estate Projects Department, and the list of contractors

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[cut off] invited to submit bids. After studying the documents submitted by the consultant, [cut off] the required modifications are [made] if necessary, and the list of contractors [submitted by] the consultant are modified if necessary. Such modifications would eliminate contractors who are not good or those who are on the black list. In addition, it would include adding other contractors if necessary. Then the consultant distributes the bidding documents to bidders, and determines a fixed timeline for submitting bids and the date for opening the bids.

Upon opening the sealed bids, which usually takes place in the consultant's office in the presence of the bank engineer and the customer, the consultant examines the bids and submits a report on that, including his recommendations of the selected contractor. After conducting a careful study by the Projects Department of the consultant's report, recommendations and all other documents, the Projects Department makes the final decision and informs both the consultant and the contractor. In very few cases, the projects division rejects the consultant's recommendations. Usually the reason behind such disapproval lies in the errors noticed in the consultant report. In such cases, the errors clarified for the consultant and he is notified to modify them. Usually, the consultant accepts the bank instructions in this matter.

After selecting the contractor, the required documents⁴ are prepared by the consultant contractor to be submitted to real estate projects department for final study.

To reach the current stage, it is necessary for the bank engineer to hold a number of meetings with the consultant, the customer and the contractor in order to resolve any differences between the regulations of the consultant, the dealer and the contractor as compared with the procedures followed by the bank. Usually, the consultant prepares all the bid documents and the terms of the project contract before launching the bid in consultation and coordination with the owner. In most cases, there are terms that are unacceptable to the bank, such as the consultant condition stipulating that "the contractor has the right to receive financing payments in return for non-existing or in-location installed materials" whereas the bank does not

¹[the number of the footnote could not be changed. It should be 1] Please look at the work of the Legal Affairs Department.

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[cut off... in fact], does not pay such payments. Also according to consultant terms, the contractor may receive an advance installment without submitting a bank guarantee, while this term is not acceptable to the bank. Furthermore, some necessary conditions of the bank are not included in the consultant documents, such as a 10% performance guarantee and imposing a 10% fine for delay. In such cases, the projects department exerts its efforts to come up with a solution which is acceptable for all parties concerning preparing documents to finally implement the project.

After conducting a careful study the documents by the real estate projects department engineers and preparing the final report, that report is submitted to the office of legal affairs through the commercial transactions department, which in turn calculates the bank profits.

After establishing all the contracts procedures by the legal affairs department, all contracts are sent back to the real estate projects department to distribute them among the parties concerned and obtaining their signatures as an acknowledgment of receiving the contract and other documents.

4- Supervising the Projects Financed by the Bank:

When the contractor receives the contract with the Bank, he must begin to implement the work in accordance with the terms and the timeline agreed upon. Real estate projects department engineers start supervising, and following up on the phases of implementation of the work, inspecting the work site to know directly the qualitative and quantitative aspects of the work at the location, the efficiency of the equipment used in the project, and available workforce. These duties may be considered part of the consultant's responsibility, but since in most cases he does not fully complete them, it is necessary for the Bank engineer to supervise all the aspects of the workflow along with the duties that the consultant does.

The following is a brief summary of supervision duties carried out by real estate projects department:

- 1- Periodic visits to the work sites to follow-up on workflow and do what is necessary by through the consultant in cases of any breach of the agreements made between the bank and the other parties concerned with the matter.

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- 2- Verifying the quality and quantity of the work completed by a monthly report showing the workflow phases. This is done through field visits of the work site.
- 3- Drawing up monthly reports concerning the problems of the work and contractors and implement the appropriate procedures for them.
- 4- Holding meetings with contractors, consultants, and customers to solve any problems that may arise during the project implementation phase.
- 5- In cases of delay in completing the projects, the relevant engineer of the projects department coordinates with the consultant, investigates the causes of delay, and tries to find appropriate solutions for it.

It is worth mentioning that some cases of delay are because the consultant makes modifications without consulting with the Bank. In other cases, the delay is due to the contractor receiving instructions from the owner to make some modifications, which may result in obstructing the workflow of the project. In such cases, many meetings are held among the contractor, the consultants, and the owner to overcome such obstacles. In this case, the consultant is asked to submit an adequate report concerning this matter, to avoid any damage that might happen to the contractor as a result of the modifications that are done by the owner.

- 6- Organizing meetings for all contracting parties at the jobsite to receive the completed project and deliver it to the customer after a comprehensive check of all completed work.
- 7- Final settlement with the contractor in cooperation with the consultant after deducting the delay fine from the contractor's account. In most cases, disputes with the contractor arise because of the delay fine. Therefore, many meetings are held among the contractor, the consultant and the owner to find out causes of the delay.
- 8- Following up the inspection of the project during the one-year guarantee period starting from the initial delivery date, and supervising all required maintenance works carried out by the contractor during this period.
- 9- Among the other duties of real estate projects department is preparing reports of the workflow and the activities of the department concerning project implementation and evaluation for purchase and mortgage purposes.

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It is [worth] mentioning that the real estate projects departments is linked to other departments of the bank, especially credit, commercial transactions, and legal affairs. This relationship is clear through the [procedures] undertaken during implementation of transactions, as previously mentioned.

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- A copy of building drawings.
- Current lease contracts with renters if the building is leased. (sale and purchase)
- Management contract for real estate between the owner and the bank. (It is signed only with the division concerned.)

Steps of Equipping Buildings for Lease:

- Paying a field visit to the site to know the location.
- Making sure that electricity and water are connected to the site and of the suitability of the building for lease.
- Determining the annual rental value for each unit and comparing it to similar units in the same location.
- Publishing advertisements for the building in Arabic and English newspapers, and hanging advertisement banners at the entrances of the buildings.
- Opening a file for lessees' reservation applications.
- Taking the required measures to provide security and fire protection in a way that ensures protection of the properties and buildings owned or managed by the Bank.
- Preparing periodic reports concerning lease levels in various regions of the country and proposing the appropriate lease prices.
- Preparing statistical reports of the leased or uninhabited residential units as well as the real estate owned or managed by the bank, and the amount of direct and indirect maintenance works.
- Preparing and proposing the annual budget for real estate services division.

Secondly: Delivery of Buildings and Equipping them for Lease:

The department manages and rents three types of real estate:

- 1- Premises owned by the Bank.
- 2- Premises owned by others but are mortgaged to the bank (Manufacturing finance / building selling and buying) because of their owner's financial liabilities. Such mortgages are transferred to the division by commerce and financing based on decisions of the facilities committee.

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- Real property owned by third parties, without financial liability on the real property owners. This real property has been transferred by the owner to the Department, which is assigned to manage its lease in return for a percentage that has been agreed upon, according to real property management contracts.

[Third]: Receiving the Customers

[handwritten after crossing printed parts out: Lessees are received according to the following steps]: Lessees are divided into two types:

- 1- Individuals, and
- 2- Companies

First Step

The lessee is received after confirming the existence of a copy of the passport of the lessee, a valid residence permit, and that a letter from his employer shows continuous income and ability to pay the rent.

Second Step

The annual rent for the unit that is desired to be leased is determined, in accordance with the instructions. It is then shown to the lessee for final approval orally.

Third Step

The data of the lessee is recorded. This data includes the lessee's name, job and address, as well as a description of the leased material premises, the term of the contract and the annual rent value.

Fourth Step

Receipt of the annual rent paid in one installment or in a number of at most four equal installments. The first installment must be paid in cash or by check payable on the signature date of the contract. The lessee shall further issue other three checks, which are not more than three months between each payment. This is to confirm that the payments will be collected three months prior to the expiry of the contract's term.

Fifth Step

After confirming the validity of the first payment and the valid data of the post-dated checks, the employee shall do the following procedures:

- Complete Form No 1/4- Deposit of Checks. Each check is the same amount as the first payment of the contract. The date of payment, the number of leased material premises, and the name of the lessee are clear. The form is transferred to the Fund Secretary

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- who, stamps the cash deposit "Cash Received". The original copy is kept in the safe while two copies are prepared; one for the customer, and the other is kept in the lessee's file.
- Complete Form 2/4-Checks Deposit. Each check is deposited separately. The check number, value and date the check is due are totally clear.
- The employee registers the checks in the Department's registry to clarify that the check was delivered to the Clearing Department, jointly with the forms clarified above. Two copies are made. One copy of the checks is then kept in the lessee's file, and another copy is delivered to the customer.
- The relevant employee collects the lessee's data set forth in the Second Step attached to two copies of the lease contract signed by the lessee. These documents are kept in the place allocated for it, with the payments made. The data is then sent to Printing.
- The specialized employee prints the data sent to him. He types it accurately with a typewriter on the lease contract.
- The typed contracts and their attachments are then returned to the employee specialized in leases for review and registration in the leases register.
- The typed contracts and other payment receipts are transferred to the accountant for a comprehensive review of all data and other contract attachments. After confirming their validity, these documents are submitted to the Head of the Department for signature by the First Party of the contract, representing the Bank.

There are other procedures undertaken by the employee during the steps of work. These procedures include confirming that payment notifications are equal in value to the annual rent, preparing release letters in case of evacuation at the request of the lessee, reviewing the register of leases to follow up on the contracts whose terms are about to expire. This is to serve notices on the lessees to appear at the earliest opportunity and fulfill the terms and conditions of the new lease contract at least one month prior to the expiry date of the lease contract.

Fourth: Rent Calculation Works

- 1- To receive the lease contacts of the lessees and review them to confirm that the data registered therein are valid and correct, and to make sure they correspond to the attached documents.

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- 2- To create an accounting entry for each lease transaction, describing the number of apartment, the name of the building owner, the name of the lessee, the annual rent, and the term of the lease contract to record the leasing activity performed in the current year, the rent paid in advance, and proof of the checks under collection in the record, and the security deposit, if any.
- 3- To register the accounting entries in the daily ledger of rents using serialized numbers up to the end of the month.
- 4- To pass on the accounting entry to the assisting ledgers.
- 5- Assisting ledger-rents.
- 6- Assisting ledger-checks under collection.
- 7- Assisting ledger- rent debtors.
- 8- To have the lease documents that are attached to the lease contract imprinted with the seal "entry", and have the accountant sign it in acknowledgment of completion of the entry process.
- 9- To deliver the registered and reviewed contracts to the Head of the Department for signature.
- 10- To receive the general expenditure invoices and confirm that they have been approved by the Head of the Department prior to payment.
- 11- To conduct the invoices-related withholding actions according to the analysis of each, add the results to the credit column in the current account (Badr City), and issue checks to the beneficiaries each according to his entitlements.
- 12- To create accounting entries for each expenditure transaction, record it in serial numbers in the assisting ledger- general expenditure, and calculate it on a monthly basis.
- 13- To register the expenditure entries in the expenditure analysis book.
- 14- Keep the accounting entries of rents and expenditure in special files separately on a monthly basis and using serial numbers, such that the month of January takes number (1). Serial numbers shall continue up to December 31st.
- 15- To make accounting settlements regarding the Bank, the rents, the mortgage lease revenues, the security deposits, the real property lessees and the current account of Badr City.

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- 16-To prepare the general daily ledger on monthly basis/rents/expenditures, and conduct the general daily entry in the general ledger.
- 17-To create a monthly short trial balance describing the balances in the general ledger (assets and liabilities).
- 18-To compare the assisting ledger balances with the general ledger balances.
- 19-To make settlements regarding the currently applied lease contracts for the occupied buildings in case of sale/purchase. This is to record the amounts due to the new owner as of the date of ownership of the building.

The lease contracts are received, and each apartment is registered separately in the assisting ledger-leases, provided that the following data is recorded:

- The name of the lessee.
- The number of the leased premises and the name of the building.
- The term of the lease contract, the annual rent and the security deposit value.
- The installments paid in cash, and the checks under collection are recorded.
- The returned checks are recorded immediately in the assistant ledger-leases, and the monthly settlements for the separate buildings lease accounts are made.
- Lease revenues are transferred to the customer's account, and the percentage of lease charges are periodically deducted according to the real estate management contract attached to the owner's file.
- The applications of trade, financing, follow up and collection (if there is a debt owed by the owner) are processed and such debt is settled if there is a balance in the security deposit- building leases account.
- The settlements for the rents of the buildings owned by a third party are made on annual or semi-annual basis as per the customer's request. This is to be aware of the financial position of the rents. A report is prepared describing the following:
 - The total value of annual lease contracts since the date of receiving of the building up to the expiry dates of current contracts.
 - The total amounts collected up to the date of settlement.
 - The total value of the checks under collection up to the date of settlement.
 - The total amounts transferred to the owner's account or the payment of installments due.

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- The total rental fees paid up to date.

Fifth: Follow-Up Activities

Follow-up activities are divided into two parts; one part for following up the renewal of contracts and the other part for following up on returned checks.

A. Contract Renewal Follow-Up

- In cooperation between the follow-up employee and the other employees specialized in leases, the apartments whose contracts will expire during the month are identified.
- A notice is given to the lessee requesting appearance to renew the contract on the expiry date.
- A warning is given to the lessee in case of his failure to appear to renew the contracts within seven days.
- A final warning is given to the lessee in case of his/her failure to respond. The lessee is given seven more days to renew the contract.
- If the lessee or his delegate fails to appear to pay the rent, the files are transferred to the accountant to calculate the indebtedness of the lessee.
- A statement is prepared, describing the lessees' names, leased material premises' number, building number, term of the lease contract and the amounts required to be paid by the lessees.
- The statement with attachments is submitted to Legal Affairs to do the required procedures.
- Follow-up on the status of the files and indebtedness transferred to the Legal Affairs.
- Follow-up on the leases committee of the Dubai and Sharjah Municipalities in cooperation with the Legal Affairs Department.
- Deliver the lease committee's decisions to the lessees.

B. Returned Checks Follow-Up, by doing the following:

- The returned checks are received from the Clearing Department.
- The returned checks are sorted, and the lessee's name, the leased material premises' number, the building number and the full address are carefully verified.
- The checks are registered in a special registry for returned checks for each building separately. This registry shall clarify the check, its number, the reason for returning, and the payment date.

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- The lessees are contacted by phone to urge them to pay.
- A written notice is given to the lessees about the necessity of paying within four days.
- In case of lack of response to the first notice, a warning is given to the lessee to pay within three days.
- In case of lack of response to the first warning, a final warning will be given to the lessee.
- If the lessee fails to pay, a police report is filed.
- The monetary deposits that cover the value of the checks are released, and the returned checks are delivered to the lessees to pay.
- A monthly statement is prepared, describing the returned, unpaid checks. This statement is submitted to the Head of the Department, and a copy thereof is delivered to the Department's accountant.

Sixth: Maintenance Works

Maintenance works are divided into two parts, namely

the ordinary [scratched out, illegible] maintenance works and the periodic maintenance works.

Maintenance works are performed by a private office under the supervision of the Head of the Department [handwritten: the Maintenance Office Manager], whose work is limited to the following:

- Receive maintenance requests from the lessees, either by the lessee in person [scratched out: in the case of ...] or by phone [handwritten: or fax].
- The complaints raised are registered in a special registry.
- The complaints are arranged, according to their importance and necessity.
- The person in charge of maintenance provides the laborers and materials required for maintenance.
- After the maintenance work is performed, an inspection is done and the lessee signs a statement that the works were performed in a satisfactory manner.

As for the periodic maintenance works, the Department carries out such works through a maintenance company or contractors. These works are put out for bids for the purpose of obtaining the best prices.

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Translator Qualifications:

20+ years translation experience (Arabic-English)

Certified by the American Translators Association (Arabic-English)

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Signature of Translator:

A handwritten signature in black ink that reads "Jeffrey Hayes". The signature is written in a cursive style with a large, stylized "J" and "H".

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